



New York State Department of Health

Second Quarterly Report: Spending Narrative for Implementation of American Rescue Plan Act of 2021, Section 9817

**Support for Medicaid Home and Community-Based Services
(HCBS) during the COVID-19 Emergency**

Federal Fiscal Year 2022 – Quarter 3 Report

February 15, 2022

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Letter of Attestation from State of New York

February 15, 2022

BY E-MAIL

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Re: **New York State Second Quarterly Report:**
Implementation of American Rescue Plan Act of 2021, Section 9817

Dear Mr. Tsai:

On behalf of the New York State Department of Health (the Department or DOH) as the single state Medicaid agency, I write to provide the second quarterly update for New York State (the State or New York) regarding certain Medicaid expenditures for home and community-based services (HCBS) provided by Section 9817 of the American Rescue Plan Act of 2021 (ARPA) (Pub. L. 117-2). In connection with the receipt of increased Federal Medical Assistance Percentage (FMAP) for these categories of HCBS, I attest to the following:

- The State is using the federal funds attributable to the increased FMAP to supplement and not supplant existing state funds expended for Medicaid HCBS in effect as of April 1, 2021;
- The State is using the state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program;
- The State is not imposing stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021;
- The State is preserving covered HCBS, including the services themselves and the amount, duration, and scope of those services, in effect as of April 1, 2021; and
- The State is maintaining HCBS provider payments at a rate no less than those in place as of April 1, 2021.

As reflected in the enclosed second quarterly report, the State has made meaningful progress in implementing the Spending Plan and narrative that it submitted to CMS on July 8, 2021. Critically, on January 31, 2022, the State received approval from CMS for all but two proposals submitted in the original Spending Plan and narrative. To that end, and following this guidance from CMS, the State has removed the proposal “Support Program Growth in Personal Care Services and Consumer Directed Personal Assistance Program (CDPAP) to Ensure Capacity.” Furthermore, this quarterly Spending Plan includes revisions and clarifications to the remaining pending proposal, “Adjust Residential Addiction Treatment Services Rate.” We also continue to work with CMS to finalize the methodology by which the HCBS programs and services included in our managed care premiums will be counted towards the increased FMAP.

Based on this current status, the State offers further updates on implementation efforts for existing and proposes several new activities in this quarterly report, as well as we provide our current best estimate on projected HCBS expenditures subject to the increased FMAP. We look forward to working with CMS to achieve full approval of the modest number of remaining proposal in our Spending Plan and narrative as reflected in this report, as well as the new proposals made herein, such that New York is able to further the goals of Section 9817 of ARPA and support critical HCBS in the State.

Please do not hesitate to contact me with any questions.

Very truly yours,

Brett R. Friedman, Esq.
Acting Medicaid Director
Office of Health Insurance Programs
NYS Department of Health

Enclosure

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Executive Summary

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021. Section 9817 of ARPA provides a 10 percent increase in Federal Medical Assistance Percentage (FMAP) to state Medicaid programs from April 1, 2021 to March 31, 2022 to supplement existing state expenditures on home and community-based services (HCBS). As detailed in State Medicaid Director Letter #21-003, issued by the Centers for Medicare & Medicaid Services (CMS) on May 13, 2021 (the SMDL), CMS affords states the ability to invest or reinvest these funds in a variety of ways that expand and enhance investments in Medicaid-covered HCBS, address COVID-related needs, and build HCBS capacity. While these enhanced funds are generated until March 31, 2022, states may expend these funds any time before March 31, 2024.

This opportunity enables New York State (the State, New York, or NYS) to make significant investments that expand, enhance, or strengthen HCBS for Medicaid members. This federal funding arrived at an opportune moment, as providers are working to rebuild and expand capacity, adjust to the realities of post-pandemic service provision, address increases in demand, and build workforce capacity. To these ends, New York proposed to make investments that will support the needs of our most vulnerable populations. New York's approach prioritizes investments with long-term sustainable benefits, including building workforce capacity and digital infrastructure to streamline service delivery, and that work to improve the quality and efficiency of services in the more immediate term, including helping HCBS providers overcome pandemic-related service disruptions and expenses. New York is pleased to update CMS about our progress in advancing these proposals.

As of this update, the New York Spending Plan contains **47** separate proposals, which is an increase from the **39** proposals initially included in the State's Spending Plan, across three categories:

1. Supporting and Strengthening the Direct Care Workforce
2. Building HCBS Capacity through Innovations and Systems Transformation; and
3. Investing in Digital Infrastructure

Critically, these 47 proposals were developed collaboratively among six State agencies that oversee the categories of HCBS funded by Section 9817 of ARPA. These agencies include: the Department of Health (DOH), the Office for People with Developmental Disabilities (OPWDD), the Office of Mental Health (OMH), the Office of Children and Family Services (OCFS), the Office of Addiction Services and Supports (OASAS), and the State Office for the Aging (SOFA, and with OPWDD, OMH, OCFS, and OASAS, the Partner Agencies). DOH and the Partner Agencies engaged with stakeholders to inform the development of these proposals for recommendations on the use of the funds. DOH is maintaining a public website to keep stakeholders apprised of developments and progress with regard to approval and implementation of New York's Spending Plan, which links to specific updates from the Partner Agencies on their respective websites,

where applicable.

This website may be accessed here:

https://www.health.ny.gov/health_care/medicaid/redesign/hcbs/enhanced_funding/

Progress & Activity Updates

New York is committed to investing funds in meaningful ways that create sustainable impact on the Medicaid HCBS delivery system across the State, improving outcomes for service recipients and their families. At present, the State is largely focusing efforts on launching proposed activities, drafting Spending Authorities, and preparing for implementation.

New York has worked diligently to architect the necessary foundational components for the 37 approved activities, one activity pending approval, and additional nine new activities submitted in this quarterly Spending Plan update. The details of this progress are found, organized by activity, in **Appendix A** of this document. In its capacity as the single state Medicaid agency, DOH is using this Spending Plan update to respond to CMS's requests for clarification about the pending activity and await full approval.

As mentioned in the first quarterly narrative report submitted to CMS on October 18, 2021, the State continues to identify emergent needs, modify existing proposals where appropriate, and propose additional proposals as needed. Following guidance from CMS, the State has removed the proposal "Support Program Growth in Personal Care Services and Consumer Directed Personal Assistance Program (CDPAP) or Ensure Capacity". Additionally, the State seeks CMS approval for nine new proposals:

1. **Homecare Worker Bonus.** As part of a new statewide initiative announced by Governor Kathy Hochul in January 2022, the State is launching an unprecedented frontline healthcare worker bonus program to workers earning up to \$100,000 annually, which is designed to incentivize the recruitment and retention of qualified frontline healthcare and direct support professionals. The bonuses will be tailored in varying amounts based on hours worked and length of time in service. To the extent these bonuses are being paid to frontline workers that deliver HCBS to New Yorkers in need, the State seeks to utilize funding under Section 9817 of ARPA to support this innovative and necessary program, as more fully described herein.
2. **Improve and Support the Assisted Living Program (ALP) Workforce.** To sustain staffing levels and maintain services, while also allowing for maximum flexibility, DOH proposes to use a one-time directed payment program, which would provide payments to ALP service providers that offer one or more workforce development strategies. As Medicaid services require a great deal of training and experience to serve seniors with functional and/or cognitive impairment who need these valuable services, such as those individuals who reside in ALPs, and the provision of these services to ALP residents can be physically and emotionally demanding for staff, DOH will set specific goals for this funding to impact recruitment and retention rates.

New York's ALPs serve individuals who are medically eligible for nursing home placement but serve them in a less medically intensive, lower cost HCBS settings.

3. **Incentivize Child Welfare Step-Down Programs.** The State seeks to create more step-down opportunities for children from an institutional level of care by incentivizing child welfare agencies to enhance their care delivery systems for children with behavioral health conditions to include community programs in order to reduce the number of children and lengths of stay of children in Qualified Residential Treatment Programs (QRTPs). Specifically, this proposal will support the QRTPs in establishing additional community supports to allow children to step down from an institutional level of care.
4. **Evidence-Based Children's Services.** The State seeks to increase funding to incentivize Children's Behavioral Health providers to use Evidence-Based Practices (EBP) in the delivery of HCBS to Medicaid-enrolled children, including the use of principles in the delivery of HCBS to children at risk of needing services in more restrictive settings.
5. **New Children's Waiver HCBS.** The State has identified youth mental health HCBS access as a persistent and growing need. There are long waitlists for services, and an increasing prevalence of mental health needs in children exacerbated by the enduring COVID-19 pandemic. In light of these challenges, the State seeks to support the establishment of new Children's Waiver HCBS to address access issues and returning children and youth to their home and community from an institutional level of care.
6. **School Supportive Health Services Expansion.** Similar to the Children's HCBS described above, the State has also identified youth mental health service access as a persistent emerging need. To address the same challenges of long waitlists and an increasing prevalence of mental health needs in children exacerbated by the enduring pandemic, the State seeks to expand covered services to allow school districts to provide Medicaid covered behavioral health HCBS to Medicaid enrolled children while in school.
7. **Invest in Outpatient Mental Health Rehabilitative Services.** The State seeks to increase the existing service payment rates for Outpatient Mental Health Rehabilitative Services, a critical access point in the mental health system. Funding will be disbursed through rate increases paid across fee-for-service (FFS) or managed care Medicaid claims following a State Plan Amendment (SPA) as services are provided to eligible Medicaid recipients. As more Medicaid recipients seek access for behavioral health services during the current pandemic, these investments will be used to support peer support service provisions, enhance offsite service delivery, supplement electronic health record (EHR) changes, and strengthen provider staffing resources.
8. **Strengthen the NYS Multiple Systems Navigator.** New York proposes to invest a

portion of this enhanced funding to grow and improve accessibility of NYS Multiple Systems Navigator, which is sponsored by the NYS Council on Children and Families (CCF). The NYS Multiple Systems Navigator (www.msnavigator.org) is a website for youth with multiple disabilities, parents, caregivers, and direct care professionals that serves as a one-stop resource on high-quality supports and services available from health, education, and human services agencies that serve vulnerable New Yorkers. Since its creation, the Multiple Systems Navigator has simplified a complex process of accessing information from numerous child- and family-serving agencies by compiling it on one consumer-friendly site, helping provide access to comprehensive, current, relevant, and easy-to-find information for those typically in need of multiple intensive services and supports including health, mental health, developmental disability, and other services. Specifically, the funds would enable youth, families, and the workforce supporting this target population to access available HCBS more easily and other services and supports across the State.

9. **Continuation and Expansion of the Community Care Connections Program.**

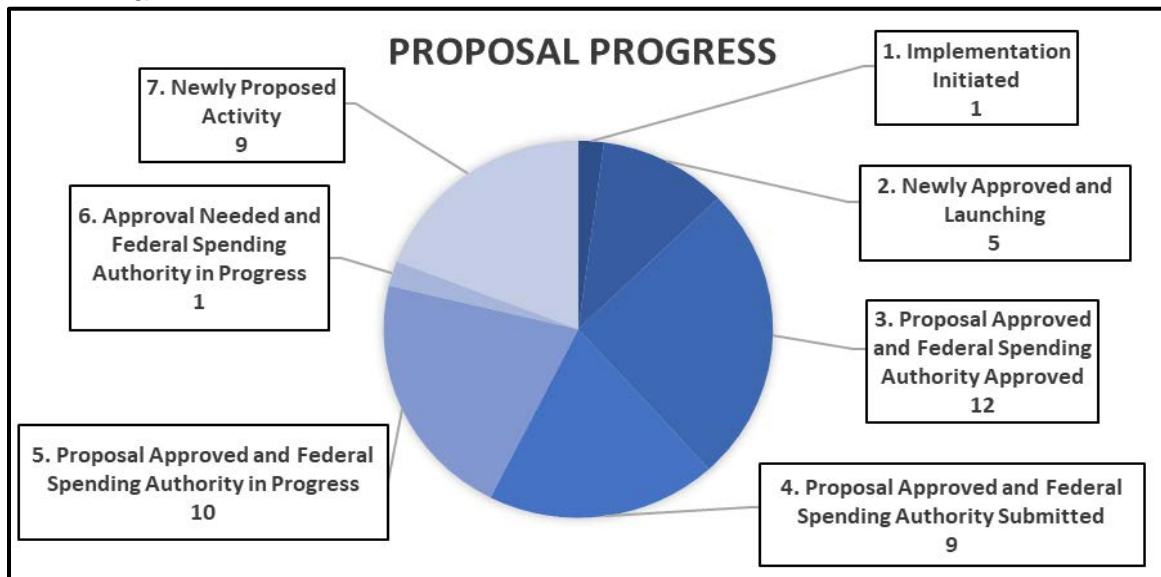
The State seeks to invest a portion of this enhanced funding to support the continuation and expansion of the Community Care Connections (CCC) model and the integration of community-based social workers and nurse care coordinators into the medical system of care. The CCC model integrates traditional community-based aging services with medical systems of care to positively impact the aims of cost, quality, and patient satisfaction. Due to the CCC's proven ongoing success of improving health outcomes while also reducing healthcare utilization for older adults, the State proposes to utilize this funding to support the continuation and expansion of the CCC model into other counties within New York. Funding will be used to address the social, economic, and clinical needs of older adults, which supports New York State's movement from a volume-based system to value-based system. The State, through NYSOFA, will leverage the NY Connects NWD System as a key component within the CCC model and incorporate care transitions programming to successfully facilitate referrals between institutional care and home and community-based settings.

DOH and the Partner Agencies have worked diligently to architect the necessary foundational components for the 37 approved activities, one activity pending approval, and additional nine new activities submitted in this quarterly Spending Plan update. Based on these efforts, significant progress has been made on nearly all activities to obtain needed federal authorities to implement these proposed activities, including the drafting and posting of SPAs and development of directed payment preprints under 42 C.F.R. § 438.6(c) (Section 438.6(c)). DOH is confident that our progress in building a strong foundation and implementation plan for all 47 activities, including additional potential future modifications to these proposals or the development of new proposals, will enable successful outcomes and positive long-term impacts for individuals served by HCBS across the State.

Below is a brief version of activity progress. It categorizes proposals by progress

towards implementation. These categories are as follows:

- 1. *Implementation Initiated*** – Proposals that have received CMS approval as of August 25, 2021 and are currently being implemented.
- 2. *Newly Approved and Launching*** – Proposals that have received CMS approval as of January 31, 2022 and will begin implementation soon.
- 3. *Proposal Approved and Federal Spending Authority Approved***¹ – Approved proposals for which the State has obtained the needed federal approvals and authorities and those that will be implemented under existing authorities or otherwise do not require additional CMS Federal Spending Authority.
- 4. *Proposal Approved and Federal Spending Authority Submitted*** – Approved proposals for which the State has submitted and awaits approval of needed authorities.
- 5. *Proposal Approved and Federal Spending Authority in Progress*** – Proposals that have received CMS approval and for which Federal Spending Authorities are under development.
- 6. *Approval Needed and Federal Spending Authority in Progress***- Proposals that have not yet received CMS approval and for which Federal Spending Authorities are under development
- 7. *Newly Proposed Activity*** – Proposals that are new as of this quarterly Spending Plan.



¹ “Federal Spending Authority” refers to the means by which the State would obtain CMS approval for reinvestment of the ARPA enhanced FMAP in existing Medicaid State Plan or HCBS waiver services, such as a State Plan Amendment, Directed Payment, or 1915(c) Waiver Amendment.

Additional information about each activity can be found in **Appendix A**.

1. Implementation Initiated

This proposal received CMS approval and is currently being implemented.

- Strengthen NY Connects Infrastructure

2. Newly Approved and Launching

DOH and its Partner Agencies' implementation of the below activities recently received CMS approval on January 31, 2021, and will be implemented soon:

- Enhanced Rates for Private Duty Nursing
- Expand Certified and Credentialed Peer Capacity
- Expand Recruitment and Retention of Culturally Competent, Culturally Responsive and Diverse Personnel
- Expand Training and Implementation Support for Evidence-Based Practices
- Invest in a Community Engagement Initiative – HCBS Day Services

3. Proposal Approved and Federal Spending Authority Approved

DOH and its Partner Agencies have been diligently working to obtain the needed federal approvals and authorities to implement existing proposals. Some proposals will be implemented under existing authorities or otherwise do not require additional CMS Federal Spending Authority, such as approval of a state plan amendment (SPA) or waiver amendment. The following activities have received approval from CMS:

- Invest in the Expansion of the Community First Choice Option Services
- Study to Develop New Consumer Directed Personal Assistance Program (CDPAP) Care Technology
- Increase Medicaid Rehabilitation Rates for OMH Community Residence Programs
- Children's Waiver HCBS Rate Adjustments
- Health Home Serving Children (HHSC) Rate Adjustments
- Expand Crisis Services for People with I/DD
- Improve the OPWDD Delivery System
- Improve the OPWDD Workforce
- Integrated Housing Pilot, now called the Integrated Living Transformation Grant
- Invest in Diversity, Equity, and Inclusion for People with I/DD
- Modernize OPWDD Information Technology (IT) Infrastructure to Support Medicaid Enterprise & Investments to Expand Operational Capacity
- Workforce Transportation Incentive

4. Proposal Approved and Federal Spending Authority Submitted

The State awaits approval of needed authorities for the following approved Spending Plan activities:

- Expand Capacity in Nursing Home Transition and Diversion (NHTD) and Traumatic Brain Injury (TBI)
- Transform the Long-Term Care Workforce and Achieve Value-Based Payment
- Children and Family Treatment Support Services (CFTSS) Rate Adjustments
- Expand Advanced Training Incentive (ATI) Program for HCBS Transitions from Nursing Home
- Implement Young Adult Assertive Community Treatment (ACT) Teams
- Implement Youth ACT Programs
- Invest in ACT Services
- Invest in Personalized Recovery Oriented Services (PROS) Redesign
- Provide Incentives for the Development of More Integrated Residential Services (now Supportive Residential Habilitation Transformation Grant)

5. Proposal Approved and Federal Spending Authority in Progress

DOH and its Partner Agencies continue progress on furthering programmatic design, including the development of Federal Spending Authority documents for the following activities awaiting CMS approval of the State's Spending Plan that received CMS approval:

- Advance Children's Services IT Infrastructure
- Enhance the Children's Services Workforce
- Support for Adult Day Health Centers and Social Adult Day Centers Reopening
- Support of the Unique Program of All-Inclusive Care for the Elderly (PACE) Fully Integrated Care Model
- Support the Transition to Voluntary Foster Care Agencies (i.e., Article 29-l providers, as licensed under State Law) Core Limited Health Related Services
- Expand and Implement HCBS and Community Oriented Recovery and Empowerment (CORE) Services
- Improve the OASAS Workforce
- Invest in OASAS Outpatient Addiction Rehabilitation Treatment Services Adjustments
- Extended Short-Term Support for Behavioral Health Care Collaboratives
- Improve the OMH Workforce

6. Approval Needed and Federal Spending Authority in Progress

DOH and its Partner Agencies continue progress on furthering programmatic design, including the development of Federal Spending Authority documents for the following activity awaiting CMS approval of the State's Spending Plan:

- Adjust Residential Addiction Treatment Services Rate

7. Newly Proposed Activity

As noted previously, the State continues to identify emergent needs and propose additional proposals as needed. The following are the nine new proposals for which

the State seeks CMS approval:

- Homecare Worker Bonus
- Improve and Support the ALP Workforce
- Incentivize Child Welfare Step-Down Programs
- Evidence-Based Children's Services
- New Children's Waiver HCBS
- School Supportive Health Services Expansion
- Invest in Outpatient Mental Health Rehabilitative Services
- Strengthen the NYS Multiple Systems Navigator
- Continuation and Expansion of the Community Care Connections Program

Modifications to Spending Plan Proposals

The following activities have been modified to better address the needs of the delivery system. Additional information by activity is available in Appendix A.

- **Transform the LTC Workforce and Achieve Value-Based Payment (VBP) Readiness.** Consistent with guidance received by CMS through development and submission of its directed payment preprint specific to this proposal, DOH has refined this Spending Plan action such that it will only be targeted to a defined provider class of licensed home care services agencies (LHCSAs) that fall into the top third of providers in their designated regions and that contract with Managed Long Term Care Partial Capitation Plans (MLTCPs) and Medicaid Advantage Plans (MAPs). These criteria were developed to maximize the impact of these funds on quality of care for Medicaid members by ensuring that the funds are adequate to enable meaningful and innovative workforce recruitment and retention initiatives and are available to LHCSAs providing the greatest number of hours of service in each region. Previously it also included Consumer Directed Personal Assistance Services (CDPAS), Adult Day Health Centers (ADHC), and Social Adult Day Centers (SADC). These remaining programs will receive funding through other proposals.
- **Support the Transition to Voluntary Foster Care Agencies (i.e., Article 29-I providers, as licensed under State Law) Core Limited Health Related Services.** This proposal was originally titled, "Support the Transition to Article 29-I Health Facility Core Limited Health Related Services." Voluntary Foster Care Agencies (VFCA), which are licensed under Article 29-I of the New York Public Health Law (referred to as 29-I Facilities) offer five health-related core services including skill building, Medicaid treatment, and discharge planning to help children and youth move to and remain in home and community settings. DOH is more clearly defining the scope of services covered in this rate increase to cover both Rehabilitative and Prevention Services for children in foster care. Since these services are delivered by the same providers and same practitioners this increased rate in both areas will allow providers to expand overall capacity to serve both children with behavioral health needs and children who are at risk of developing them.

- **Children and Family Treatment Support Services (CFTSS) Rate Adjustments.** DOH is more clearly defining the scope of services covered in this rate increase to cover both Rehabilitative and Prevention Services. Since these services are delivered by the same providers and same practitioners this increased rate in both areas will allow providers to expand overall capacity to serve both children with behavioral health needs and children who are at risk of developing them.
- **Strengthen NY Connects Infrastructure.** NYSOFA seeks to expand the proposal to strengthen the NY Connects infrastructure to further improve the data collection and reporting system across the service sectors serving individuals with physical disabilities, children with special needs, people with I/DD, and those with serious behavioral health conditions. This system will track and analyze service utilization, care and case management services and referral, administration requirements, federal reporting requirements, compliance monitoring, data validation and verification, production of standard reports, as well as ad hoc reporting functionality, and querying of data for custom tabulations to fully assess all feasible data elements and options. Additionally, in coordination with all NY Connects No Wrong Door (NWD) system partners, including DOH, OMH, OPWDD, and OASAS, NYSOFA proposes to further enhance the NY Connects Resource Directory with information and resources specific to individuals with mental and/or behavioral health conditions, individuals with serious mental illness (SMI) and/or substance use disorders (SUD), individuals with I/DD, and individuals with other chronic health conditions. To support the enhancements to the NY Connects Resource Directory, NYSOFA will collaborate with the NWD system partners to continue developing and providing effective training curricula for NY Connects staff across the State. NY Connects staff will receive updated training specific to each population so that they may help individuals and their family/caregivers who are served by other state agencies, explore their options, and make informed choices on LTSS and other available resources. NY Connects staff will also receive training and education on caregiver resources and supports for each population.
- **Improve the OPWDD Workforce.** OPWDD has further defined eligible providers for supplemental payments. Performance incentives and workforce bonuses are available to providers licensed or certified by OPWDD under the 1915(c)OPWDD Comprehensive Waiver. Workforce Development Grants and funding for recruitment initiatives are available to providers certified by OPWDD under the 1915(c) OPWDD Comprehensive Waiver and other not-for-profit organizations, associations, higher education institutions, secondary education organizations, and/or vendors of market research/recruitment/communication or training equipment.
- **Integrated Housing Pilot** OPWDD adjusted this proposal so that the initiative will be implemented through competitive grant funding rather than a pilot

program. Moving forward, this proposal will be referred to as the Integrated Living Transformation Grant.

- **Provide Incentives for the Development of More Integrated Residential Services.** OPWDD adjusted this proposal so that the initiative will be implemented through a grant opportunity. Moving forward, this proposal will be referred to as the Supportive Residential Habilitation Transformation Grant.

Sustainability Plan

New York is committed to leveraging this significant investment to foster long-term positive impact on the HCBS system. Thirteen of the proposed activities work to strengthen and support the direct care workforce across the state. Workforce shortages and instability were exacerbated by the COVID-19 Public Health Emergency. Investments in the HCBS workforce will help address these challenges while having long lasting impacts both on access to care for vulnerable populations in need of these services and on the quality of care that those members receive. Additional training and enhanced benefits for the HCBS workforce will play an instrumental role in improving the delivery system over the coming years. Upon evaluation of these proposals, the State will assess the impact and outcomes of each proposal and will explore the benefits of continuing these efforts beyond the initial period.

Twenty-seven of the proposed activities aim to increase and strengthen capacity, foster innovation, and create systems transformation for HCBS. Most of these activities leverage rate increases for services and funding to implement and expand programs to increase and augment services delivered across the state. Program designs have been developed to encourage investment focused on long-term impact resulting from the COVID-19 pandemic. The State is tracking possible modalities to keep successful activities and enhancements beyond March 31, 2024.

Seven of the activities aim to strengthen the digital infrastructure for HCBS provider agencies in New York. These investments will allow HCBS provider agencies to reopen strategically during times when face-to-face interactions come with a risk, while also supporting the integration of modern technology into service delivery, documentation, and care. The State has prioritized activities that are innovative enough to endure beyond March 31, 2024.

Appendix A: Individual Activity Updates

I. Supporting & Strengthening the Direct Care Workforce

A. Transform the LTC Workforce and Achieve Value-Based Payment (VBP) Readiness

New York seeks to leverage a significant portion of additional FMAP to increase the capacity and quality of its HCBS workforce, such as LHCSAs can implement evidence-based care interventions, promote quality, and participate effectively in value-based payment (VBP) arrangements, including MLTCs and MAPs. Specifically, investing in evidence-based programs that help LHCSAs recruit, retain, train, and support their direct care workers will ensure that New York has adequate, high-quality personnel to meet the anticipated growth in demand. Providers may not use the funding for capital investments. However, they may use a portion to improve internet connectivity. This component is intended to strengthen HCBS by allowing providers to better access resources and supports to provide higher quality care and can be used to support real-time data collection in preparation for VBP; any spending on this portion will be tracked separately from other spending.

Eligible Providers:

LHCSAs that fall into the top third of providers in their designated regions based on 2019 utilization and that contract with MLTCPs and MAPs: these providers offer home care services such as personal care services.

Anticipated Implementation Date: 03/31/2022

Amount of Funding Projected to be Spent: DOH has filed a directed payment preprint that allocates \$180.47 million to providers in the defined provider class. Based on the success of this preprint, DOH will examine how to use the balance of the funding to reinforce the programs supported by the currently filed preprint or whether to expand this funding to other provider types or funding opportunities, such as the consumer directed personal assistance and adult day health care providers and social adult day care providers, as indicated in the State's initial Spending Plan. However, at the present time, DOH has not yet allocated \$626.61M of the funding under this broader category.

Status Update Overall:

DOH submitted the initial Section 438.6(c) preprint to CMS on November 15, 2021 to direct payments through the MLTCP and MAP HCBS managed care programs using historical utilization data in these programs. CMS provided feedback on December 13, 2021 and DOH submitted a revised preprint to CMS on December 23, 2021, which was formally accepted for review. On February 2, 2022, DOH responded to questions received from CMS on January 25, 2022. Relevant updates will be included in the next quarterly report. While awaiting CMS preprint approval, DOH is communicating with plans and providers and

making the necessary preparations for payments.

Status for Federal Approval of Spending Plan:

Approved by CMS on August 25, 2021.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

Section 438.6(c) preprint for this proposal was submitted to CMS on November 15, 2021. CMS provided verbal feedback on December 13, 2021 regarding the type of directed payment and the provider class. DOH submitted a revised preprint to CMS on December 23, 2022. Specific rate increases will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

The funds will benefit the direct care workforce to enable increased access and availability of HCBS can be staffed across the State. The initiatives implemented during this period will support the growing need for HCBS by ensuring improved workforce capacity, skill-level, and quality. Providers planning to use funds to increase wages must submit their plans for sustainability beyond the funding period.

B. Improve the OPWDD Workforce

There are over 100,000 Direct Support Professionals (DSPs) and Family Care Providers in the New York statewide OPWDD system, who are dedicated to helping people with I/DD to live independent, productive lives. However, there has been considerable turnover and attrition in this space. New York seeks to improve and sustain the workforce by implementing COVID-19 workforce performance incentives, I/DD workforce longevity and retention bonuses, DSP workforce development grants to improve quality, and a workforce recruitment initiative. For the grants distributed via this activity, the State will reinvest ARPA funds and is not seeking an additional match.

Eligible Providers:

Providers licensed or certified by OPWDD under the 1915(c) OPWDD Comprehensive Waiver and other not-for-profit organizations, associations, higher education institutions, secondary education organizations, and/or vendors of market research/recruitment/communication or training equipment.

Anticipated Implementation date: 03/31/2022

Amount of Funding Projected to be Spent: \$582.73M

Status Update Overall:

OPWDD developed two surveys to send to providers to collect information to determine funding allocations for two of the four supplemental one-time payments. The surveys are related to COVID-19 Service and Vaccination Incentives. These surveys were released in early 2022. The submission of a Provider Attestation is required prior to the disbursement of any supplemental payments to a provider.

OPWDD held two webinars in December. The first was an overview webinar to brief stakeholders on the approval of the Appendix K as well to provide a brief overview of the forthcoming Workforce Stabilization payments. An additional technical assistance webinar was held to assist providers with any detailed questions related to the completion of the surveys or attestations.

Additionally, OPWDD is determining possible metrics and developing reporting processes to understand the impact of these payments and grants on worker retention, attraction, and vaccination rates.

OPWDD is drafting RFAs for additional workforce-related grant programs. Grant selection, awards, and contract execution are planned to occur in early 2022.

Currently, OPWDD seeks to directly contract with several organizations to execute additional workforce-related grants.

Status for Federal Approval of Spending Plan:

Approved by CMS on August 25, 2021.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

For the four supplemental one-time payments, OPWDD submitted an Appendix K to the NYS OPWDD Comprehensive Waiver (0238.R06.00) on September 7, 2021 and received CMS approval on November 16, 2021. OPWDD also submitted a preprint modifying the Fully Integrated Duals Advantage for IDD program within managed care on December 30, 2021 and is waiting on CMS approval. Specific provider payments will be confirmed as part of authority approval, and final grant award amounts are pending review of applications.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

One-time investments in the HCBS workforce will have long lasting impacts both on access to care for vulnerable populations in need of these services and on the quality of care that those members receive. Additional trainings and enhanced benefits for the OPWDD workforce will play an instrumental role in improving the delivery system over the coming years.

Applicants responding to the RFAs are required to provide long-term sustainability plans.

C. Expand Advanced Training Incentive (ATI) Program for HCBS Transitions from Nursing Homes

New York proposes to use the enhanced FMAP for HCBS to offer new training programs for direct care workers to recognize signs of patient clinical improvement and the potential for HCBS programs and services to allow for community discharge and reintegration. This program will be offered to all eligible nursing home facilities and provide funding to those providers that have shown a commitment to giving direct care staff tools to help assist in appropriate discharge to community-based settings. This program will continue New York's work toward ensuring that individuals receive Medicaid-funded services in the least restrictive setting and permitting facility discharge when appropriate HCBS services and supports are identified. This would be a training program that has not existed previously and thus would enhance, expand, and strengthen the ability of these providers to transition individuals to home and community-based settings.

Eligible Providers:

Nursing facilities: these are health care facilities for patients that require long-term nursing or rehabilitation services.

Anticipated Implementation Date: 03/01/2022

Amount of Funding Projected to be Spent: \$69.10M

Status Update Overall:

DOH is finalizing a rate package and anticipates the release of payments by March 31, 2022.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH published this proposal with an effective implementation date of October 1, 2021 in the Federal Public Notice on September 29, 2021. DOH submitted the SPA to CMS on December 30, 2021. Specific rate increases will be confirmed when the proposed rate package receives approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Investments in the HCBS workforce will have long lasting impacts both on access to care for vulnerable populations in need of these services and on the quality of care that those members receive. These initial investments to expand the ATI program will have a lasting impact on the Medicaid program as members are transitioned to less restrictive settings in a manner that is safe and appropriate to individual needs.

D. Workforce Transportation Incentive

New York will invest a portion of the enhanced FMAP in worker transportation grants to eligible home care agencies that apply to the State to address identified transportation barriers to worker recruitment or retention. The grants will have to be expended in full in support of mitigating these barriers in a geographically appropriate manner that is included in the application and approved by the State. The State will reinvest ARPA funds for this activity and is not seeking an additional match.

Eligible Providers:

Certified Home Health Agencies (CHHA): these agencies provide home health services to individuals who need part-time, intermittent health care and support services at home. Home health services include nursing services, home health aide services, medical supplies, equipment, and appliances suitable for use in the home, and at least one additional service that may include physical therapy, occupational therapy, speech pathology, nutritional services, and medical social services.

Anticipated Implementation Date: 07/01/2022

Amount of Funding Projected to be Spent: \$10.0M

Status Update Overall:

DOH is finalizing the programmatic design for this proposal. Guidance and programmatic detail will be developed and communicated to providers in the near future.

Status for Federal Approval of Spending Plan:

Approved by CMS on August 25, 2021.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

We do not anticipate the need for separate federal authority in order to execute this proposal. Final grant award amounts are pending review of applications.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

This is currently planned as a one-time investment in the HCBS workforce with long lasting impacts both on access to care for vulnerable populations in need of these services and on the quality of care that those members receive. Providing support for car services, or providing passes for public transportation, is likely to assist in the recruitment and retention efforts by providers and alleviate service delays and access to care for many individuals. Upon evaluation of this proposal, the State will assess the impact and outcomes and will explore the benefits of continuing these efforts beyond the initial period.

E. Improve the OMH Workforce

This proposal would provide prescribers, licensed practitioners, and program staff in community, rehabilitation, and housing settings to receive targeted loan forgiveness, tuition reimbursement, hiring and signing bonuses, longevity payments, shift differential pay, expanded retirement contributions, relocation incentives, and internship, fellowship and/or other career development opportunities. Funds will be implemented through Medicaid fee-for-service rates and a directed payment preprint to Medicaid MCOs administered uniform rate increases to adult home and community-based service providers based on service utilization. Funding would go directly to mental health providers.

Eligible Providers:

OMH-licensed mental health providers: these providers diagnose mental health conditions and provide treatment.

Anticipated Implementation Date: 03/01/2022; payments will be retroactive for Adult Behavioral Health HCBS and Rehabilitation and Community Residences 10/01/2021, ACT 10/07/2021, PROS 10/14/2021, and Outpatient Mental Health Rehabilitative Services 02/01/2022.

Amount of Funding Projected to be Spent: \$39.17M

Status Update Overall:

Federal Public Notices have been published with NYS Department of State for the applicable dates for each state plan rehabilitative services authorized pursuant to 42 CFR§ 440.130(d) program including Personalized Recovery Oriented Services (PROS) (SPA #16-0041), Assertive Community Treatment (ACT) (SPA #01-0001; pending #21-0015), Rehabilitation Services in Community Residences for adults and children (SPA #94-0027), Behavioral Health (BH) HCBS authorized pursuant to a section 1115(a) waiver, and Community Oriented Recovery and Empowerment (CORE) services proposed to be authorized in a recent amendment to a section 1115(a) waiver. OMH continues to work in collaboration with its State partners to finalize enhanced rate packages. Once rate packages are approved, OMH will load the rates and will notify providers of rate changes. OMH continues to facilitate communication between providers and stakeholders including specific provider impacts.

A Federal Public Notice is expected to be published subsequently addressing similar investments for Outpatient Mental Health Rehabilitative Services.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH and OMH will pursue rate enhancements under SPAs as well as seeking federal approval through a Section 438.6(c) preprint. SPAs and a directed payment preprint are currently under development by OMH/DOH and will be circulated to CMS soon. Specific rate increases will be confirmed when the proposed rate package receives approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

The targeted loan forgiveness, tuition reimbursement, hiring and signing bonuses, longevity payments, shift differential pay, expanded retirement contributions, relocation incentives, and internship, fellowship and/or other career development opportunities will only be funded in the short-term. However, their impact will have long-term benefits. Investments in the HCBS workforce will have long lasting impacts both on access to care for vulnerable populations in need of these services and on the quality of care that those members receive. Additional training and enhanced benefits for the OMH workforce will play an instrumental role in improving the delivery system over the coming years. The State is also exploring potential additional programmatic and clinical initiatives designed to complement these workforce enhancements beyond the initial period.

F. Improve the OASAS Workforce

To sustain staffing levels and maintain services while also allowing for maximum flexibility, OASAS proposes to use a temporary rate increase to provide funding for OASAS service providers to offer one or more workforce development strategies. OASAS has set specific goals for this funding to impact capacity building and lower waitlists. The funding will be evaluated for specific outcomes.

Eligible Providers:

OASAS service providers: these providers offer substance use disorder and/or problem gambling services.

Anticipated Implementation Date: 03/01/2022; payments will be retroactive to 11/01/2021.

Amount of Funding Projected to be Spent: \$7.70M

Status Update Overall:

These are services authorized to be delivered consistent with 42 § CFR 440.130(d) and pursuant to SPA #16-0004.

Federal Public Notice for OASAS Workforce rate changes was published by the NYS Department of State on November 1, 2021. A SPA is also being developed and will be circulated to CMS in the near future. OASAS is developing billing and programmatic guidance to circulate to providers to support implementation of this proposal.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

Federal Public Notice for OASAS Workforce rate changes was published by the NYS Department of State on November 1, 2021. A SPA is also being developed and will be circulated to CMS in the near future. Specific rate increases will be confirmed when the proposed rate package receives approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

While OASAS does not anticipate extending these rates beyond the period noted above, the increased resources available to providers allow investments in the HCBS workforce that will have long term impact on access to care for vulnerable populations in need of these services and on the quality of care that those members receive. Additional training and enhanced benefits for the OASAS workforce will play an instrumental role in improving the delivery system over the coming years.

G. Increase Medicaid Rehabilitation Rates for OMH Community Residence Programs

Rate increases will be targeted towards direct care staff costs in order to meet critical challenges to workforce recruitment and retention, which are needed to operate these programs more effectively and to address the current critical workforce shortages. Funding will be disbursed through rate increases paid across FFS Medicaid claims as services are provided to eligible Medicaid recipients.

Eligible Providers:

OMH-licensed Rehabilitation for Community Residence providers; these providers offer interventions, therapies, and activities to people in community residences to reduce functional and adaptive behavior deficits associated with mental illness.

Anticipated Implementation Date: 02/01/2022; payments will be retroactive to 10/01/2021.

Amount of Funding Projected to be Spent: \$7.00M

Status Update Overall:

OMH continues to work in collaboration with its State partners to finalize enhanced rate packages under the existing State Plan Authority. Once rate packages are approved, OMH will load the rates and will notify providers of rate changes. OMH continues to facilitate communication between providers and stakeholders including specific provider impacts.

Status for Federal Approval of Spending Plan:

Approved by CMS on August 25, 2021.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

Implemented under existing State Plan Authority. Specific rate increases will be confirmed when the proposed rate package receives approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Investments in the HCBS workforce will have long lasting impacts both on access to care for vulnerable populations in need of these services and on the quality of care that those members receive. Additional funding for worker recruitment and retention will play an instrumental role in improving the delivery system over the coming years.

H. Enhance the Children's Services Workforce

Due to provider diversity and differing needs of agencies regarding staffing, as well as to ensure the maximum ability to maintain or build service capacity, a model is recommended that would offer eligible providers flexibility in utilizing the enhanced FMAP. Specific goals will be attached to this funding to impact capacity building and eliminate waitlists, and agencies receiving funds will be evaluated for specific outcomes.

Eligible Providers:

Children and Family Treatment and Support Services (CFTSS) providers: these providers offer services and benefits to better meet the behavioral health needs at earlier junctures in a child/youth's life to prevent the onset or progression of behavioral health conditions.

Children's HCBS providers: these offer support and services to children in non-

institutionalized settings that enable them to remain at home and in the community.

Voluntary Foster Care Agencies (VFCA) Health Facilities, which are licensed under Article 29-I of the New York Public Health Law (referred to as 29-I Facilities): these offer five health-related core services including skill building and Medicaid treatment and discharge planning helping children and youth move to and remain in home and community settings.

Health Homes Serving Children (HHSC): these integrate and coordinate all primary, acute, behavioral health, and other LTSS services for children who have two or more chronic conditions, have one chronic condition and are at risk for a second, and/or have one serious and persistent mental health condition.

Anticipated Implementation Date: 03/31/2022

Amount of Funding Projected to be Spent: \$4.64M

Status Update Overall:

DOH is currently in the process of completing the Section 438.6(c) preprint for this proposal focused on the programs noted in the provider section and will seek CMS approval of that preprint in order to distribute this funding through managed care plans. After approval, information will be shared with both providers and health plans which details program requirements, measures used to drive funding amounts, and other elements of program design.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

Section 438.6(c) preprint for this proposal to be submitted in February 2022. Specific provider payments will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Investments in the HCBS workforce will have long lasting impacts both on access to care for vulnerable populations in need of these services and on the quality of care that those members receive. Additional training and enhanced benefits for the Children's Service Workforce will play an instrumental role in improving the delivery system over the coming years. Upon evaluation of this proposal, the State will assess the impact and outcomes and will explore the benefits of continuing these efforts beyond the initial period.

I. Expand Training and Implementation Support for Evidence-Based Practices

OMH has undertaken a significant system redesign initiative to foster provision of evidence-based practices, recovery-oriented care, and psychiatric rehabilitation services. Under this redesign, OMH must expand training and implementation support in Evidence-Based Practices (EBP), including diagnosis and treatment across the provider continuum, with incentivization of EBP uptake and fidelity, with particular focus on the assessment and treatment of co-occurring disorders, treatment of marginalized and underrepresented demographics, and specialty clinical populations (including but not limited to clinical high risk for psychosis and obsessive-compulsive disorder), leadership training, addressing provider costs associated with training attendance, collaboration with State University of New York (SUNY) in a Certified Rehabilitation Counselor (CRC) or Masters in Psychiatric Rehabilitation program, and development/expansion of rehabilitation programs and services with in-person training leading to Certified Psychiatric Rehabilitation Practitioner (CPRP) credential. The adult services component will include leadership and workforce training and implementation support in psychiatric rehabilitation. A Psychiatric Rehabilitation Academy will be established to provide in-person and web-based technical assistance and training, continuing education opportunities, and certifications leading to the increase in applicable direct care staff obtaining the CPRP credential. The children's services component will include workforce training in evidence-based practice and will support the development and expansion of training and technical assistance programs to allow providers to implement such practices with fidelity and sustainability. Specific practices will include those with a focus on the family unit and on supporting youth in high-risk situations.

Funding will be dispersed via existing or new contracts with training and technical assistance agencies and SUNY or other institutions of higher education to enhance training in best practices for psychiatric rehabilitation for the behavioral health workforce. This workforce is critical to enhance and strengthen HCBS in Medicaid.

The training and technical assistance will target providers of children's mental health services which are State Plan-authorized rehabilitative services pursuant to 42 CFR § 440.130(d), including Children's Rehabilitation Services in Community Residences (SPA #94-0027), Other Licensed Practitioner Services (SPA #19-0003), which are State Plan-authorized Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services which could be authorized under 42 CFR § 440.130(d). Other targeted providers provide services that could be authorized under 42 CFR § 440.130(d). The State will reinvest ARPA funds for this activity and is not seeking an additional match.

Eligible Providers:

Training and Technical assistance agencies with expertise in EBP dissemination;

these are agencies designed to improve the operation and performance of Evidence-Based Practices training and implementation dissemination.

The SUNY system: this is a system of public colleges and universities in New York State.

Other institutions of higher education.

Anticipated Implementation Date: 02/15/2022

Amount of Funding Projected to be Spent: \$8.60M

Status Update Overall:

OMH finalized and submitted the programmatic design for this proposal. OMH is in the process of amending existing contracts and issuing new contracts with select entities. Once contracts are finalized, vendors will notify providers of expanded implementation and training support in adult and children's EBPs.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

We do not anticipate the need for federal authority in order to execute this proposal. Specific payments will be confirmed as part of contract finalization.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

The expanded training and implementation support in Evidence-Based Practices (EBP) will have long-term benefits on the quality of care that vulnerable populations receive. Additional training for the OMH workforce will play an instrumental role in improving the delivery system over the coming years.

J. Expand Recruitment and Retention of Culturally Competent, Culturally Responsive and Diverse Personnel

OMH will provide funding to SUNY and City University of New York (CUNY) schools based on geographic location and programs offered to underserved students to complete study in fields with the highest identified need (e.g., social work, psychology, etc.).

These funds would be used to support educational attainment and credentialing fully or partially for Providers of State Plan rehabilitative services authorized pursuant to 42 CFR § 440.130(d), including PROS (SPA #16-0041), ACT (SPA #01-0001; pending #21-0015), Rehabilitation Services in Community Residences

for adults and children (SPA #94-0027), BH HCBS authorized pursuant to a section 1115(a) waiver, and CORE services proposed to be authorized in a recent amendment to a section 1115(a) waiver. The State will reinvest ARPA funds for this activity and is not seeking an additional match.

Eligible Providers:

OMH-certified Mental Health providers.

SUNY and CUNY educational institutions: these are a system of public colleges and universities in New York State and New York City.

Anticipated Implementation Date: 02/01/2022

Amount of Funding Projected to be Spent: \$4.00M

Status Update Overall:

OMH has finalized the programmatic design for this proposal and is developing a MOU with SUNY and CUNY schools. OMH will publish a press release to publicize the program. The program will begin in the Fall 2022 semester.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

We do not anticipate the need for additional federal authority in order to execute this proposal.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Investments in a diverse, culturally competent, and culturally responsive mental health workforce will have lasting impacts both on access to care for vulnerable populations in need of these services and on the quality of care that those members receive. These investments will play an instrumental role in improving the delivery system over the coming years. Upon evaluation of this proposal, the State will assess the impact and outcomes and will explore the benefits of continuing these efforts beyond the initial period.

K. Expand Certified and Credentialed Peer Capacity

New York proposes to expand certified peer capacity (inclusive of adult peer, youth peer, family peer) in OMH programs through investment in resources for recruitment, education/training, and career pipeline investments. As New York continues to grow its capacity to provide Peer Support services across the OMH system of care, agencies that currently do not offer Peer Support services need

additional guidance on how to implement these services effectively in their settings. The creation of a New York State Peer Workforce Advancement and Mentoring Network and a Peer-Delivered Service Inclusion Center of Excellence will help OMH in achieving these goals. Additionally, training expansion and capacity to best support underserved and emerging populations, such as justice-involved individuals and older adults with mental illness will be needed to ensure the Peer Workforce is adequately equipped to provide effective services to these groups.

Eligible providers for this activity include PROS (SPA #16-0041), ACT (SPA #01-0001; pending #21-0015), Rehabilitation Services in Community Residences for adults and children; Family Peer Support Services; Youth Peer Support Services; BH HCBS authorized pursuant to a section 1115(a) waiver; CORE services, proposed to be authorized in a recent amendment to a section 1115(a) waiver; and other provider types, not currently receiving Medicaid funding for the provision of rehabilitative services, that utilize peers to engage individuals with mental health conditions in the mental health system and whose efforts will expand HCBS in Medicaid by promoting awareness about and engagement in HCBS. The State will reinvest ARPA funds for this activity and is not seeking an additional match.

Eligible Providers:

Providers of State Plan rehabilitative services authorized pursuant to 42 CFR. § 440.130(d).

Anticipated Implementation Date: 02/01/2022

Amount of Funding Projected to be Spent: \$4.00M

Status Update Overall:

OMH has finalized the programmatic detail, payment mechanism, guidance for providers, and monitoring and evaluation strategy. OMH has sent guidance out to eligible providers, published a press release, and offered informational sessions for eligible providers about the procurement request. Pending federal approval, OMH will begin making grant payments to mental health providers in January 2022.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

We do not anticipate the need for additional federal authority in order to execute this proposal. Final grant award amounts are pending review of applications.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

This investment will provide agencies that do not currently offer Peer Support services additional guidance on how to implement these services effectively in their settings. Training expansion and capacity to best support underserved and emerging populations will enable the Peer Workforce is adequately equipped to provide effective services to these groups in the long-term. Once the infrastructure is established with the enhanced FMAP funding, OMH anticipates that these initiatives can be maintained through modification of deliverables in existing direct contracts with the statewide peer programs.

New Activities

L. Homecare Worker Bonus

New York's home care workers have seen us through a once-in-a-century public health crisis and continued to provide services for some of our most vulnerable New Yorkers. To attract talented people into the profession at a time of such significant strain, while also retaining those who have been working so tirelessly these past two years, the State seeks to use this funding to recognize the efforts of the HCBS workforce through an innovative bonus program.

Under this proposal, New York would provide tiered bonuses based on the number of hours worked, with a maximum of \$3,000 in bonuses, for home care workers employed by LHCSAs and personal assistants working under the CDPAS program that earn under \$100,000 annually to incentivize the recruitment and retention of qualified direct support professionals. The amount of the bonus would be based on the number of hours worked during two separate vesting periods. This proposal is part of a larger healthcare worker bonus included in New York's State Fiscal Year 2022-23 Executive Budget.

Eligible Providers: Existing providers of personal care services and CDPAS, enrolled in the FFS program or serving as participating providers in Medicaid Managed Care.

Anticipated Implementation Date: 4/01/2022

Amount of Funding Projected to be Spent: \$417.80M

Status Update Overall:

This program is in the initial planning stages and more information will be included in the next quarterly report.

Status for Federal Approval of Spending Plan:

New Proposal; Pending approval from CMS.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH is considering the most appropriate authority to utilize as part of initial planning. Specific provider payments will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This is a new proposal. DOH will offer additional insights in this area during future reporting periods.

Sustainability Update: The funds will benefit the homecare workforce to enable increased access and availability of HCBS staff across the State. The initiatives implemented during this period will support the growing need for HCBS by providing improved workforce capacity and retention.

M. Improve and Support the Assisted Living Program (ALP) Workforce

New York's ALP program serves individuals who are medically eligible for nursing home placement but serves them in a less medically intensive, lower cost HCBS setting. To these ends, ALP provides personal care, room, board, housekeeping, supervision, home health aides, personal emergency response services, nursing, physical therapy, occupational therapy, speech therapy, medical supplies and equipment, adult day health care, a range of home health services, and the case management services of a registered professional nurse, and thus qualify as an appropriate service category for HCBS funding under Section 9817 of ARPA.

Similar to investments in other HCBS sectors, to sustain staffing levels and maintain services while also allowing for maximum flexibility in ALPs, DOH proposes to use a time-limited program, which would provide payments to ALP service providers who offer one or more workforce development strategies. As a Medicaid service that requires significant training and experience in order to serve older adults with functional and/or cognitive impairment and who need these valuable services to remain in a home and community-based setting, DOH will set specific goals for this funding to impact recruitment and retention rates. Recommendations for implementation include:

- *Tuition reimbursement;*
- *Loan forgiveness;*
- *Hiring and sign-on incentives;*
- *Longevity pay;*
- *Training funding inclusive of home health aide and personal care aide certification, continuing education units (CEUs) and professional licenses; the development of mentoring or apprenticeship programs; and the development of infection prevention and control;*
- *Differential pay for nights and weekends;*
- *Retirement contributions, extending health insurance benefits, supporting*

- *day care, or other fringe benefits for staff; and*
- *Build appropriate personal protected equipment (PPE) stockpiles from state authorized sources for ensuring that ALP workers are able to deliver care in a safe and effective manner through the end of COVID-19 and beyond.*

Eligible Providers:

DOH certified ALP providers; these provide services to people who are medically eligible for nursing home placement in a less medically intensive, less restrictive setting.

Anticipated Implementation Date: 04/01/2022

Amount of Funding Projected to be Spent: \$20.00M

Status Update Overall:

This program is in the initial planning stages and more information will be included in the next quarterly report.

Status for Federal Approval of Spending Plan:

New Proposal; Pending approval from CMS.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH is considering the most appropriate authority to utilize as part of initial planning but will likely use a time-limited rate increase for ALP providers through a SPA. Specific provider payments will be confirmed as part of the authority approval.

Lessons Learned/Best Practices (if any):

This is a new proposal. DOH will offer additional insights in this area during future reporting periods.

Sustainability Update:

The funds will benefit the ALP direct care workforce to enable increased access and availability of HCBS staff across the State. The initiatives implemented during this period will support the growing need for HCBS by ensuring improved workforce capacity, skill-level, and quality. Upon evaluation of this proposal, the State will assess the impact and outcomes and will explore the benefits of continuing these efforts beyond the initial period.

II. HCBS Capacity, Innovations, and Systems Transformation

A. Expand Capacity in Nursing Home Transition and Diversion and Traumatic Brain Injury

Amend both the 1915(c) Nursing Home Transition and Diversion (NHTD) and Traumatic Brain Injury (TBI) waivers to adjust payments for Nursing Visits for

Home and Community Support Services (HCSS), develop a new service of Adult Companion Services for the NHTD and TBI waiver programs, add independent providers to Substance Abuse Services in the TBI waiver, establish rate differentials, provide a recruitment and retention stipend for all direct service staff who provide face-to-face services, implement a training stipend program, and build an enhanced provider community.

Eligible Providers:

Existing and new 1915(c) NHTD and TBI Waiver providers including:

- LHCSAs.
- Structured Day Care Providers: these are centers designed for older individuals who need help with activities of daily living or who are isolated and lonely.
- Home and Community Support Services (HCSS): these are services utilized to discreetly oversee and/or supervise the health and welfare of a participant living in the community.
- Community Integration Counseling (CIC): these are services individually designed to assist waiver participants to manage the emotional responses inherent in adjusting to a significant physical or cognitive disability while living in the community.
- Independent Living Skills Training (ILST): these are services individually designed to improve or maintain the ability of the waiver participant to live as independently as possible in the community.
- Positive Behavioral Interventions and Supports (PBIS): these are services individually designed and provided to waiver participants to support them to respond more appropriately to events in their environment in order to remain in their community of choice.
- Regional Resource Development Centers (RRDCs): these are centers responsible for the administration of the NHTD waiver program initiatives with an emphasis on ensuring participant choice, availability of waiver service providers, and cost effectiveness of waiver services within its contracted region.

Anticipated Implementation Date: Different provisions of the Appendix K will be phased in beginning February 1, 2022, contingent on CMS approval.

Amount of Funding Projected to be Spent: \$46.40M

Status Update Overall:

DOH submitted an Appendix K waiver request modifying the 1915(c) NHTD and TBI waivers to CMS on December 8, 2021. CMS provided feedback and DOH resubmitted the Appendix K on January 12, 2022. DOH is setting the groundwork on each of the adjustments proposed, including establishing necessary rate codes and assigning rates to existing providers.

Status for Federal Approval of Spending Plan:
Approved by CMS on August 25, 2021.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH submitted the Appendix K waiver amendments to CMS on December 8, 2021. Specific rate increases will be confirmed when the proposed rate package receives approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

The increased resources available to providers will allow investments that complement and expand services and resources for waiver participants, family members and providers of informal supports and services leading to long-term benefits upon completion, although DOH intends for the stipends to be one-time investments. New York will seek to amend the existing Appendix K waiver amendment, which includes both NHTD and TBI waiver populations, to modify and augment existing services and to implement a series of enhancements to support the recruitment and retention of key staff. The anticipated sustainable impacts from these investments will include:

- Reducing nursing home admissions by providing increased quality home supports;
- Investing in provider development and workforce resources to enable sufficient resource allocation, to provide an adequate continuum of care; and
- Supporting the program infrastructure at the regional level to facilitate enhanced services, support service recipients and provide oversight of service provision.

B. Invest in the Expansion of the Community First Choice Option Services

With this funding, New York proposes to expand its Community First Choice Option (CFCO) platform to include additional services along with its robust personal care and consumer directed personal care services. These additional services would expand access to individuals with physical, emotional/behavioral, and intellectual/developmental disabilities of all ages to many options available currently only to those enrolled in one of New York's 1915(c) waivers.

Eligible Providers:

Providers of CFCO services; these providers offer home and community-based personal care and consumer directed personal care services to eligible Medicaid enrollees.

Anticipated Implementation Date: 10/01/2022

Amount of Funding Projected to be Spent: \$46.80M

Status Update Overall:

DOH is finalizing the programmatic design for this proposal. Billing guidance and programmatic detail will be developed and communicated to providers in the CFCO program as soon as it is available.

Status for Federal Approval of Spending Plan:

Approved by CMS on August 25, 2021.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

A SPA was approved by CMS in October 2015. At this time, DOH does not anticipate any amendments to the original SPA.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

This proposal will further the State's common goal of ensuring that individuals across the disability spectrum can live independently in the least restrictive environment they desire with full access to the community. Investments in Community First Choice Option services will have long lasting impacts both on access to care for vulnerable populations in need of these services and on the quality of care that those members receive. Upon evaluation of this proposal, the State will assess the impact and outcomes and will explore the benefits of continuing these efforts beyond the initial period.

C. Support the Unique Program of All-Inclusive Care for the Elderly (PACE)

Support a fully integrated care model to enhance PACE Organizations as an option for dually eligible beneficiaries in New York. The State proposes to invest \$40M in State Funds Equivalent as part of capitated premiums paid to PACE Organizations to assist PACE centers to reopen safely and institute effective control measures and provide PACE programs workforce development funds to recruit and retain qualified staff.

Eligible Providers:

All authorized PACE Organizations in New York, operating as of April 1, 2021; these organizations provide comprehensive medical and social services to certain frail, elderly people still living in the community.

Anticipated Implementation Date: 07/01/2022

Amount of Funding Projected to be Spent: \$40.00M

Status Update Overall:

DOH is actively working with CMS on appropriate funding mechanisms for investing in PACE, given inherent limitations under federal rules regarding maximum funding that PACE Organizations may receive under their premiums.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH is seeking guidance from CMS regarding the appropriate federal authority for this proposal. Specific provider payments will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Investments in the PACE demonstration will have long lasting impacts on organizations' ability to deliver care under a fully integrated care delivery model. Investments will support the efforts of PACE organizations as they adjust to service interruptions stemming from COVID-19 and invest in improving their resiliency through the coming years. Upon evaluation of this proposal, the State will assess the impact and outcomes and will explore the benefits of continuing these efforts beyond the initial period.

D. Improve the OPWDD Delivery System

OPWDD will fund several contracts, grants, and cooperative agreements to improve and stabilize HCBS delivery, enhance state and local infrastructure to support people and their families through person-centered practices and services, and increase access to HCBS.

The State will reinvest ARPA funds for this activity and is not seeking an additional match.

Eligible Providers:

Not-for-profit organizations (including OPWDD providers, Local Departments of Social Services (LDSS), institutions of higher education, and/or qualified vendors meeting state-specified requirements).

Anticipated Implementation date: 02/05/2022

Amount of Funding Projected to be Spent: \$30.00M

Status Update Overall:

OPWDD released the Improvement of Assistive Technology, Environmental Modifications, and Vehicle Modification Process Request for Proposals (RFP) on

12/23/21. The anticipated contract start date is 02/05/2022.

OPWDD is drafting an RFA for the Coordinated Care Program Evaluation, while simultaneously developing grants and contracts processes to ensure an efficient and timely distribution of funds. Grant selection, award, and contract execution are planned to occur in early 2022.

OPWDD is also directly contracting with Supported-Decision Making New York and others, for service delivery improvement-related grant programs. These contract executions are planned to occur in early 2022.

Status for Federal Approval of Spending Plan:

Approved by CMS on August 25, 2021.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

As funds will be distributed through grants, direct contracts, and existing procurement processes, OPWDD does not anticipate the need for federal authority to execute this proposal. Final grant award amounts are pending review of applications.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Applicants responding to the RFAs are required to provide long-term sustainability plans.

E. Invest in a Community Engagement Initiative – HCBS Day Service

OPWDD is developing a comprehensive initiative to convert center-based day services into more community-based day services that will allow for greater interaction and independence in the community.

During the COVID-19 pandemic, site-based services were suspended to mitigate the spread of COVID-19; however, the ability of such providers to deliver services was curtailed. As we began to reopen, site-based services were and continue to be utilized at rates below pre-pandemic service levels. OPWDD is proposing to use the additional FMAP afforded under Section 9817 of ARP to support providers that develop and submit plans for new, innovative, and person-centered alternatives to traditional site-based day services. This funding will also include options for the development of telehealth infrastructure as a component of model changes.

Funds will be available to providers through a grant application process. The funding will support the acquisition of technology, staff training, and, under limited circumstances, the payment of capital costs. The payment of capital costs may

be allowed when the payment of such costs accelerates the development of alternate program models delivered in settings fully compliant with the HCBS settings criteria. These alternate program models would expand access to HCBS. These payments could be used to accelerate the repayment of approved, cost-verified property costs for sites that are no longer needed; however, no more than 10% of the grant award could be used for this purpose. In this case, any profit that the provider gains from the sale of the property must be reinvested in a manner that expands and promotes the delivery of HCBS.

As a result, the biggest impediment to transitioning from site-based services – the carrying costs of the properties in which they are provided – would be eliminated, paving the way forward for more individualized alternatives that would enhance the lives of people with developmental disabilities in New York State.

To receive funds, providers must commit to participation in a learning Community of Practice (CoP) and must achieve operational changes to expand more integrated models of community-based day service delivery as a condition of receipt of payment. The State will reinvest ARPA funds for this activity and is not seeking an additional match.

Eligible Providers:

OPWDD certified HCBS Waiver Day Service providers; these providers assist with acquisition, retention or improvement in self-help, socialization and adaptive skills including communication, and travel that regularly takes place in a non-residential setting, separate from the person's private residence or other residential arrangement.

Anticipated Implementation date: 03/31/2022

Amount of Funding Projected to be Spent: \$30.00M

Status Update Overall:

OPWDD is drafting a RFA for the Community Engagement Day Services Grant. Grant selection, awards, and contract execution are planned to occur in early 2022.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

As funds will be distributed through grants, we do not anticipate the need for federal authority to execute this proposal. Final grant award amounts are pending review of applications.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Applicants responding to the RFAs are required to provide long-term sustainability plans.

F. Invest in Diversity, Equity, and Inclusion for People with I/DD

OPWDD seeks to leverage the CoP work and initial agency assessments of equity issues to develop and implement a comprehensive strategic initiative, inclusive of culture, ethnicity, language, sexual orientation, gender identity, and ability. This one-time investment will provide for equity analyses of data, focus group research, and partnerships with people and organizations in underserved communities to inform longer-term equity and access efforts, as well as investments in early-stage strategies to address identified equity and access needs. OPWDD will directly contract with a third-party to oversee the implementation of this grant. The State will reinvest ARPA funds for this activity and is not seeking an additional match.

Eligible Providers:

Not-for-profit organizations (including OPWDD providers), local government authorities and/or institutions of higher education with demonstrated expertise in addressing the needs of underserved and historically marginalized populations.

Anticipated Implementation date: 03/31/2022

Amount of Funding Projected to be Spent: \$30.00M

Status Update Overall:

OPWDD is drafting a RFA for a Diversity, Equity, and Inclusion (DEI) Capacity building grant. Grant selection, awards, and contract execution are planned to occur in early 2022.

OPWDD will directly contract with Georgetown Consulting Services to execute another DEI-related grant.

Status for Federal Approval of Spending Plan:

Approved by CMS on August 25, 2021.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

As funds will be distributed through grants and existing procurement processes, OPWDD does not anticipate the need for additional federal authority to execute this proposal. Final grant award amounts are pending review of applications.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Applicants responding to the RFA are required to provide long-term sustainability plans.

G. Integrated Living Transformation Grant

Establishes a grant opportunity to assess the effectiveness of housing investments that expand access to affordable, accessible, non-certified housing options for OPWDD Waiver participants, including individuals seeking to transition from certified settings. The initiative would be implemented through competitive grant funding. The State will reinvest ARPA funds for this activity and is not seeking an additional match.

Eligible Providers:

Not-for-profit organizations (including OPWDD providers) and/or local government authorities with demonstrated experience and skills in developing housing options for populations of individuals who have experience housing access barriers.

Anticipated Implementation Date: 03/31/2022

Amount of Funding Projected to be Spent: \$20.00M

Status Update Overall:

OPWDD is drafting a RFA for the Integrated Living Transformation grant. Grant selection, awards, and contract execution are planned to occur in early 2022.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

As funds will be distributed through grants, OPWDD does not anticipate the need for additional federal authority to execute this proposal. Final grant award amounts are pending review of applications.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Applicants responding to the RFA are required to provide long-term sustainability plans.

H. Adjust Residential Addiction Treatment Services Rate

To maintain crucial services, New York proposes to temporarily increase

rates for existing residential services and to increase services for individuals in early recovery to assist with reintegrating into their community by incorporating the residential reintegration service into the Medicaid benefit package. Apply the 10 percent rate adjustment to OASAS residential addiction treatment services; and utilize enhanced FMAP monies to support necessary staffing and start-up costs for OASAS residential reintegration addiction treatment services through enhanced Medicaid rates once incorporated into the Medicaid benefit. Under the State Medicaid Directors (21-003) Appendix B provides that Enhanced FMAP may be utilized for Rehabilitative services or Section 1115 waivers that cover rehabilitative services. New York State has an existing State Plan Amendment for SUD rehabilitative services (SPA 16-0004) for non-hospital facilities licensed under 820 with an associated 1115 waiver demonstration authority for SUD services otherwise covered under the Rehabilitative section of the State Plan approved August 2, 2019. ARPA funding will not be available to hospital based facilities and Institutions of Mental Disease (IMDs) because they are not covered under the rehabilitative state plan. To the extent that a non-hospital rehabilitation facility is providing a rehabilitation service it is covered under the State Plan Amendment for rehab services or is a Cost Not Otherwise Matchable under the 1115 for Rehabilitative Services. The intent is to supplement the implementation of these rehabilitative services to support institutional diversion and strengthen community transition to non-hospital based rehab services for individuals with substance use disorders who have been substantially impacted by both COVID and increasing overdose rates.

Eligible Providers:

Residential Addiction Treatment providers licensed or certified by OASAS; these providers offer direct intervention for individuals with substance use or co-occurring mental and substance use disorders in nonhospital, licensed residential facilities. IMDs are not eligible for this funding.

Anticipated Implementation Date: 03/31/2022; payments will be retroactive to 01/01/2022.

Amount of Funding Projected to be Spent: \$19.44M

Status Update Overall:

These are services authorized to be delivered consistent with 42 CFR § 440.130(d) and pursuant to SPA #16-0004, with the exception of expansion of HCBS services through the addition of a SPA for residential addiction rehabilitation benefits, which would assist individuals in reintegration to independent living.

Federal Public Notice was published with the New York Department of State on November 1, 2021. A State Plan Amendment has been developed and will be circulated to CMS in the near future. OASAS is developing rate packages. Once rates are finalized, OASAS will provide guidance to providers and stakeholders.

Status for Federal Approval of Spending Plan:
Pending approval from CMS.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

OASAS has developed a State Plan Amendment which will be circulated to CMS in the near future. Specific rate increases will be confirmed when the proposed rate package receives approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Increases in rates for existing residential services and investment in residential reintegration for individuals in early recovery will allow for improved care for patients receiving support for addiction and co-occurring mental health conditions. These initial investments will have lasting impact on the access to care for vulnerable populations in need of these services and on the quality of care that those members receive.

I. Expand and Implement HCBS and Community Oriented Recovery and Empowerment (CORE) Services

HCBS and CORE services expansion and implementation support aimed to complement current infrastructure funding via enhanced rates, marketing, and outreach funds; expanded provider capacity via workforce funding; and improved access and engagement via transportation and telehealth infrastructure. Ensuring access to critical treatment and rehab services for individuals identified as having significant behavioral health needs and service utilization (Health and Recovery Plan (HARP) enrollees). Funding will be disbursed through rate increases paid across MCO Medicaid claims as services are provided to eligible Medicaid recipients, and through state directed grants in areas where there is insufficient provider capacity. Funding will be allocated to Adult Behavioral Health HCBS and CORE providers.

Eligible Providers:

Adult Behavioral Health (BH) HBCS providers; these providers offer services that assist with daily living and social skills, individual employment support, and education support to start, return to, or graduate from school to learn skills to get or keep a job in order to allow individuals to be more involved in their community.

Adult CORE providers; these providers offer nursing assessment, medical administration, case management, peer supports, psychological testing, individual, family or group counseling for people with diagnosed mental illness, and/or co-occurring substance use disorder, whose level of functioning is significantly affected by the behavioral health illness.

Anticipated Implementation Date: 03/31/2022; payments retroactive to 10/01/2021.

Amount of Funding Projected to be Spent: \$9.24M

Status Update Overall:

OMH, in collaboration with the Department of Health, submitted a directed payment template to CMS on December 30, 2021. OMH has finalized its monitoring and evaluation strategy under the State's directed payment preprint as approved by CMS. OMH is developing guidance that will be communicated to providers in advance of the directed payment implementation. CORE services are proposed section 1115(a)-authorized rehabilitation services, which could be authorized pursuant to 42 CFR § 440.130(d). CMS action on NYS' Section 1115(a) waiver amendment for CORE is pending. CMS approved the transitions of HCBS to CORE services effective 02/01/2022. For the grants portion of this activity, the State will reinvest ARPA funds and is not seeking an additional match.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

Section 438.6(c) preprint was submitted to CMS on December 30, 2021. Specific provider payments will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

The CORE infrastructure and provider capacity investments are intended as a one-time process. However, they will have long lasting impacts both on access to care for vulnerable populations in need of these services and on the quality of care that those members receive upon completion. Enhancing rates and providing workforce and transportation funding will play an instrumental role in improving the delivery system over the coming years.

J. Support the Transition to Voluntary Foster Care Agencies (i.e., Article 29-I providers, as licensed under State Law) Core Limited Health Related Services

Implement a temporary rate adjustment of 25 percent, retroactive to April 1, 2021, until September 30, 2022 for Article 29-I Health Facility Core Limited Health Related Services Per Diem Rates. Services will be delivered consistent with 1905(a)(13) of the SSA, 42 CFR § 440.130(d) and Rehabilitative services authorized in SPA #21-0003. This temporary increase would assist providers to

build capacity to meet the increasing needs of children.

Eligible Providers:

Article 29-I Health Facilities

Anticipated Implementation Date: 03/31/2022, 25% temporary rate increase payments will be retroactive to 04/01/2021 through 9/30/2022.

Amount of Funding Projected to be Spent: \$13.35M

Status Update Overall:

DOH is awaiting CMS approval of the Disaster SPA #21-0055. DOH will be submitting SPA #21-0054. These address the 29-I program with services delivered consistent with 1905(a)(13) of the SSA, 42 CFR§440.130(d) and Rehabilitative services authorized in SPA #21-0003. DOH is drafting guidance for providers and Medicaid Managed Care Plans (MMCP) regarding billing. Additionally, DOH is defining more clearly the scope of services covered in this rate increase to cover both Rehabilitative and Prevention Services. Since these services are being delivered by the same providers and same practitioners this increased rate in both areas will allow providers to expand overall capacity to serve both children with behavioral health issues and children who are at risk of developing them as a result of trauma and other adverse childhood experiences.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH developed a Disaster SPA 21-0054 "Enhanced FMAP" that was submitted to CMS October 8, 2021. Specific rate increases will be confirmed when the proposed rate package receives approval.

Federal Public Notice for SPA 21-0055, "CFTSS/29I Enhanced FMAP" was posted on September 15, 2021. The SPA was submitted on December 31, 2021.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

The Public Health Emergency greatly impacted these providers. Raising rates is intended to support providers to stay open and active in order to maintain or improve capacity and access to services. This funding would allow these providers to recruit and retain qualified staff. Upon evaluation of this proposal, the State will assess the impact and outcomes and will explore the benefits of continuing these efforts beyond the initial period.

K. Expand Crisis Services for People with I/DD

There is a growing need for enhanced behavioral health services that exceeds current service capacity. In order to address the behavioral health needs of people with I/DD the State will: expand Crisis Services for People with I/DD (CSIDD), enhance rates for Intensive Behavioral Support Services (IBS), and connect I/DD Service System and Community-Based Services.

Eligible Providers:

CSIDD state plan providers licensed by OPWDD; these providers offer targeted services for individuals with I/DD who have significant behavioral or mental health needs. CSIDD are delivered by multi-disciplinary teams who provide personalized and intensive time-limited therapeutic clinical coordination of Medicaid services for individuals age six and older.

Providers licensed or certified by OPWDD under the 1915(c) OPWDD Comprehensive Waiver.

Anticipated Implementation date: 03/31/2022

Amount of Funding Projected to be Spent: \$11.51M

Status Update Overall:

CSIDD services are covered under the State Plan Rehabilitation benefit. The CSIDD SPA #19-0014, was approved on December 16, 2019, with an effective date of January 1, 2019.

For the enhanced rate for IBS, OPWDD submitted an Appendix K for the NY OPWDD Comprehensive Waiver (0238.R06.00) and received approval.

OPWDD developed and released an RFA for a grant focused on expanding CSIDD services. The contract start date for the Region 2 CSIDD Expansion was November 1, 2021. For Region 3 CSIDD Transition, the contract start date is tentatively planned for 03/01/2022.

OPWDD will directly contract with a single entity to invest a portion of the funding to support pilot projects at the county level to address gaps in crisis response and children's services.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

For the enhanced rate for IBS, OPWDD submitted an Appendix K Waiver September 7, 2021 and received approval. A 1915(c) Waiver Amendment will be submitted to continue these enhancements and align with the end of the

Appendix K Authority.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

OPWDD is in initial stages of sustainability planning as part of program design for these investments. The state is also exploring potential funding sources to continue this program beyond the initial period.

Applicants responding to the RFA are required to provide long-term sustainability plans.

L. Enhanced Rates for Private Duty Nursing (PDN)

New York proposes to invest on a one-time basis in state and federal enhanced matching funds to supplement FFS Medicaid private duty nursing (PDN) rates for adult recipients receiving services in HCBS settings to align with the rates recently enhanced for the under 23 population. The investment would apply until March 31, 2022. This proposal would ensure adequate reimbursement and access to PDN services for FFS members who turn 23 years old and remain in the program and help with staffing cases, which has been even more challenging during the COVID-19 pandemic. The FFS Medicaid base fees are currently lower than the Medicaid Managed Care fees creating a disincentive for providers to service FFS adult members.

Eligible Providers:

PDN providers; these providers offer substantial, complex, and continuous skilled nursing care provided in the home for medically fragile Medicaid beneficiaries.

Anticipated Implementation Date: 3/31/2022; payments retroactive to 11/01/2021

Amount of Funding Projected to be Spent: \$16.93M

Status Update Overall:

The SPA was submitted to CMS on December 30, 2021. This impacts the PDN program. 42 CFR § 440.80 authorizes PDN in a home, hospital or SNF setting. Consistent with those requirements and the updated standards in 42 CFR § 440.70 regarding home health services, PDN services funded under this proposal are only available in HCBS settings, rather than in a facility. DOH has established the rate package and has notified providers of the rate change. The new rates were implemented on November 1, 2021 and will end March 31, 2022. The temporary rate increases are as follows for the Upstate Region, Code S9123 increased by \$16.38, Code S9123 High Tech increased by \$18.79, Code S9124 increased by \$13.75, and Code S9124 increased by \$15.56. For the Downstate Region, Code S9123 increased by \$18.54, Code S9123 High Tech increased by \$20.39, Code S9124 increased by \$14.83, and Code S9124 increased by

\$17.30.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH submitted a SPA to CMS on December 30, 2021.

Lessons Learned/Best Practices (if any):

This program is only six weeks into the implementation phase. As of this date, the implementation has gone well. Providers and families are pleased with the increased rates. DOH will offer additional insights in this area during future reporting periods.

Sustainability Update:

DOH anticipates extending these rates beyond the period noted above to create parity with reimbursement for PDN services to children under 23 years old. The increased resources available to providers will allow investments in PDN services that will have long lasting impacts both on access to care for vulnerable populations in need of these services and on the quality of care that those members receive. This proposal will enable adequate reimbursement and access to PDN services for FFS members who turn 23 years old and remain in the program and help with staffing cases, which has been even more challenging during the COVID-19 pandemic.

M. Supportive Residential Habilitation Transformation Grant

Establishes a grant opportunity to increase the ability of providers to employ flexible strategies to enhance person-centered service delivery and to further incentivize the provision of supports and services that will allow individuals with I/DD to live in a more integrated setting of their choosing. These resources will be used to incentivize Residential Habilitation Providers to expand the use of innovative tools and technologies, investments in capital and start-up costs associated with staffing “hubs”, planning and development of service delivery options costs, and the identification, hiring, and training of neighbors or staff to expand Supportive Residential Habilitation and Family Care Residential Habilitation options that support people in a more independent manner in the most integrated settings, consistent with their needs and preferences. Funds will not be used for participants’ room and board costs. The State will reinvest ARPA funds for this activity and is not seeking an additional match.

Eligible Providers:

Residential Habilitation Providers; these providers offer care, skills training, and supervision to participants in a non-institutional setting.

Anticipated Implementation Date: 3/31/2022

Amount of Funding Projected to be Spent: \$10.00M

Status Update Overall:

OPWDD is drafting a RFA for a Supportive Residential Habilitation Transformation grant. Grant selection, awards, and contract execution are planned to occur in early 2022.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

As funds will be distributed through grants, OPWDD does not anticipate the need for federal authority to execute this proposal. Final grant award amounts are pending review of applications.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Applicants responding to the RFA are required to provide long-term sustainability plans.

N. Invest in OASAS Outpatient Addiction Rehabilitation Treatment Services

Adjustments

Utilize enhanced funding to increase access by incentivizing providers that deliver services in the community for all outpatient addiction rehabilitation services through a 10 percent temporary rate enhancement.

Eligible Providers:

OASAS licensed or certified Outpatient Addiction Rehabilitation Treatment Service providers; these providers offer clinical services for people with addiction to substances and their families.

Anticipated Implementation Date: Anticipated Implementation Date: 03/31/2022; payments retroactive to 11/01/2021.

Amount of Funding Projected to be Spent: \$4.28M

Status Update Overall:

A Federal Public Notice for OASAS Outpatient rate changes was published by the New York Department of State on November 1, 2021. A State Plan Amendment has been developed and will be circulated to CMS in the near future. OASAS is developing rate codes, billing, and programmatic guidance to circulate to providers to support implementation of this proposal. These services are

authorized to be delivered consistent with 42 CFR §440.130(d) and pursuant to SPA #16-0004.

Status for Federal Approval of Spending Plan:
Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

The State Plan Amendment has been developed and will be shared with CMS in the near future. Specific rate increases will be confirmed when the proposed rate package receives approval.

Lessons Learned/Best Practices (if any):
This program is pending implementation.

Sustainability Update:

Outpatient Addiction Rehabilitation and Treatment Services are an essential part of the safety net for members with substance and alcohol abuse conditions. Investments will improve access and enhance the resilience of the provider community for future years.

O. Invest in Personalized Recovery Oriented Services (PROS) Redesign

Supporting a PROS redesign via enhanced rates within PROS to include an increase in offsite capacity and one on one service, program specific staffing investments including peers and rehabilitation staff and grants for physical plant improvements. Physical plant improvements would not be directly funded by this proposal; rather, the State is providing 10% rate enhancements for existing State Plan services, which providers may use to cover operational, workforce, and other costs required to preserve access to HCBS. Investment based upon Consolidated Financial Report (CFR) gap to actual costs and recent provider closure. The PROS model must be updated to accommodate changing population and system need and demographics (i.e., telehealth, desire for more one on one, off-site capability, unemployment), while right-sizing financial model to support it. Funding will be disbursed through rate increases paid across FFS or MMCP.

Eligible Providers:

OMH-licensed rehabilitation for PROS providers; these providers offer a comprehensive model that integrates rehabilitation, treatment, and support services for people with serious mental illness. These are State Plan authorized rehabilitative services pursuant to 42 CFR § 440.130(d) and as outlined in SPA #16-0041.

Anticipated Implementation Date: 03/31/2022; payments will be retroactive to 10/14/2021.

Amount of Funding Projected to be Spent: \$3.00M

Status Update Overall:

Federal Public Notice was published with NYS Department of State on 10/13/21. OMH continues to work in collaboration with its State partners to finalize enhanced rate packages for the State Plan authorized rehabilitative services pursuant to 42 CFR § 440.130(d) and as outlined in SPA #16-0041. Once rate packages are approved, OMH will load the rates and notify providers of rate changes. OMH continues to facilitate communication between providers and stakeholders including specific provider impacts.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

NYS published a Federal Public Notice for the State Plan Amendment on October 13, 2021. A SPA was submitted to CMS on December 30, 2021. Specific rate increases will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Investments in the PROS programs and workforce will allow the PROS model to adapt to the changing population and system needs well into the future. Upon evaluation of this proposal, the State will assess the impact and outcomes and will explore the benefits of continuing these efforts beyond the initial period.

P. CFTSS Rate Adjustments

Apply the 25 percent rate adjustment to CFTSS rates, including "off-site" rates, retroactive to April 1, 2021, until September 30, 2022.

Eligible Providers:

CFTSS providers designated to provide CFTSS services consistent with 1905(a)(13) of the SSA, 42 CFR § 440.130(d) and as outlined in SPA #20-0018.

Anticipated Implementation Date: 03/31/2022, payments will be retroactive to 04/01/2021.

Amount of Funding Projected to be Spent: \$7.87M

Status Update Overall:

DOH is awaiting CMS approval of the Disaster SPA 21-0055. DOH will be submitting SPA 21-0054. Guidance being drafted for providers and MMCP regarding billing. Additionally, DOH is defining more clearly the scope of services

covered in this rate increase to cover both Rehabilitative and Prevention Services. Since these services are being delivered by the same providers and same practitioners this increased rate in both areas will allow providers to expand overall capacity to serve both children with behavioral health issues and children who are at risk of developing them as a result of trauma or other adverse childhood experiences. Included programs are consistent with 1905(a)(13) of the SSA, 42 CFR § 440.130(d) as outlined in SPA #20-0018.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH developed a Disaster SPA 21-0054 “Enhanced FMAP” that was submitted to CMS October 8, 2021. Specific rate increases will be confirmed when the proposed rate package receives approval.

Federal Public Notice for SPA 21-0055, “CFTSS/29I Enhanced FMAP” was posted on September 15, 2021. The SPA was submitted on December 31, 2021.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Additional funds allow increased access to these clinical Medicaid services. Since they are the entry point to assist children, youth and families in early intervention and prevent the need for institutional levels of care, this lessens burden on other parts of the system and supports sustainability.

Q. Children’s Waiver HCBS Rate Adjustments

Implement a HCBS rate adjustment of 25 percent retroactive to April 1, 2021, until September 30, 2022. This would assist providers to build capacity to meet the increasing need.

Eligible Providers:

Children’s HCBS providers.

Anticipated Implementation Date: 03/31/2022, payments will be retroactive to 04/01/2021.

Amount of Funding Projected to be Spent: \$19.44M

Status Update Overall:

CMS approved the Appendix K NY. 4125.R05.12 modification of the 1915(c) NY Children’s Waiver (4125.R05.00) on February 1, 2022. DOH developed updated rates and prepared a notice to providers and MMCP about the rate adjustment.

Status for Federal Approval of Spending Plan: Approved by CMS on August 25, 2021.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH submitted Appendix K to CMS on January 14, 2021. CMS approved the Appendix K on February 1, 2022. Specific rate increases will be confirmed when the proposed rate package receives approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Raising rates is intended to promote capacity and access to services hopefully improving the delivery system over the coming years. The State is also exploring potential funding sources to continue the increased rates beyond the initial period.

R. Invest in Assertive Community Treatment (ACT) Services

Increasing the existing service payment rates for ACT teams serving the highest need individuals in the mental health system. ACT services are State Plan authorized rehabilitative services pursuant to 42 CFR § 440.130(d) and as outlined in SPA #01-0001 and pending SPA #21-0015. Funding will be disbursed through rate increases paid across FFS or MCO Medicaid claims following a state plan amendment as services are provided to eligible Medicaid recipients.

Eligible Providers:

OMH-licensed ACT providers; these providers consist of a community-based group of medical, behavioral health and rehabilitation professionals who use a team approach to meet the needs of an individual with severe and persistent mental illness.

Anticipated Implementation Date: 03/31/2022; payments will be retroactive to 10/07/2021.

Amount of Funding Projected to be Spent: \$2.00M

Status Update Overall:

NYS published a Federal Public Notice for the State Plan Amendment on October 6, 2021. A SPA was submitted to CMS on December 30, 2021. This proposal impacts plan authorized rehabilitative services pursuant to 42 CFR § 440.130(d) and as outlined in SPA #01-0001 and pending SPA #21-0015. OMH continues to work in collaboration with its State partners to finalize enhanced rate packages. Once rate packages are approved, OMH will load the rates and will notify providers of rate changes. OMH continues to facilitate communication

between providers and stakeholders including specific provider impacts

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

Federal Public Notice was issued with NYS Department of State on 10/06/21. A SPA was submitted to CMS on December 30, 2021. Specific rate increases will be confirmed when the proposed rate package receives approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Additional funding will allow ACT providers to hire a competent, skilled workforce, improving access to care for vulnerable populations in need of these services and the quality of care that those members receive. Upon evaluation of this proposal, the State will assess the impact and outcomes and will explore the benefits of continuing these efforts beyond the initial period.

S. Implement Youth ACT programs

Support the implementation of Youth ACT programs through start-up, training, and monitoring funds, and pre-discharge Residential Treatment Facility (RTF) transitional services supported via reinvestment in the out years. As part of OMH's mission to reduce reliance on out of home care, Youth ACT is an important model that is being pioneered across the State to serve children and families with high needs who may not have the supports to successfully engage in more traditional models, and to divert them from long-term stays in higher levels of care. This model is being developed and launched in 2021-2022 and includes a multidisciplinary approach to the family in their own settings and builds in support to transition across levels of care. Specifically, supporting funding of stepdown from Residential Treatment Facilities can decrease lengths of stay outside the home. ACT services are State Plan authorized rehabilitative services pursuant to 42 CFR § 440.130(d) and as outlined in SPA #01-0001 and pending SPA #21-0015. Funds will be distributed through start-up Medicaid rate increases.

Eligible Providers:

OMH-licensed ACT providers.

Anticipated Implementation Date: 03/31/2022; payments will be retroactive to 10/07/2021.

Amount of Funding Projected to be Spent: \$0.43M

Status Update Overall:

NYS published Federal Public Notice for the State Plan Amendment on October 6, 2021. A SPA was submitted to CMS on December 30, 2021 regarding ACT services, State Plan authorized rehabilitative services pursuant to 42 CFR § 440.130(d) and as outlined in SPA #01-0001 and pending SPA #21-0015. OMH continues to work in collaboration with its State partners to finalize enhanced rate packages. Once rate packages are approved, OMH will load the rates and will notify providers of rate changes. OMH continues to facilitate communication between providers and stakeholders including specific provider impacts.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

Federal Public Notice published with NYS Department of State on 10/06/21. A SPA was submitted to CMS on December 30, 2021. Specific rate increases will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Youth ACT is an important model for reducing reliance on out of home care. Supporting Youth ACT Teams' start-up costs with this one-time investment will allow the providers to maintain viability during enrollment and provide adequate workforce supports. It will serve children and families with high needs who may not have the supports to successfully engage in more traditional models, and to divert them from long-term stays in higher levels of care.

T. Health Home Serving Children Rate Adjustments

Provide a temporary annual assessment fee of \$200 to Health Homes for conducting an HCBS eligibility determination.

Eligible Providers:

Health Homes Serving Children (HHSC).

Anticipated Implementation Date: 03/31/2022, payments will be retroactive to 04/01/2021.

Amount of Funding Projected to be Spent: \$1.56M

Status Update Overall:

DOH is seeking guidance from CMS regarding the appropriate federal authority for this proposal. DOH is finalizing billing guidance for HHSC.

Status for Federal Approval of Spending Plan: Approved by CMS on August 25, 2021.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH submitted Appendix K to CMS on January 14, 2022. CMS approved the Appendix K on February 1, 2022.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

NYS is examining the additional workload for HHSC care managers due to the new consolidated Children's Waiver and determining what assistance and changes may be needed. The State is also exploring potential funding sources to continue the increased rates beyond the initial period.

U. Implement Young Adult ACT Teams

Support the implementation of Young Adult ACT programs through startup, training, monitoring funds, and pre-discharge. Young Adult Alternative Payment Model (APM) and program model development to support individuals upon discharge from a First Episode Psychosis (FEP) program, and support for foster-care transitions. The Young Adult ACT teams will serve young adults ages 18 to 25 with Serious Mental Illness (SMI) who have continuous high service needs that have not been met by traditional outpatient services or who are at risk for not being able to live in the community. The Young Adult ACT teams will provide clinical treatment, as well as additional services and supports to help the individuals gain the skills necessary to be independent adults. The multi-disciplinary, community-based teams will include an evidence-based supportive vocational and employment program, support to develop the real-world skills needed for independence and support to develop or expand the young adult's family and social network. ACT services are State Plan authorized rehabilitative services pursuant to 42 CFR § 440.130(d) as outlined in SPA #01-0001 and pending SPA #21-0015. Funds will be distributed through start-up Medicaid rate increases. Investments will be recurring and funding transitions to OMH reinvestment funds for sustainability. These funds are currently included in the State Financial Plan.

Eligible Providers:

OMH-licensed ACT providers serving individuals aged 18-25; these providers consist of a community-based group of medical, behavioral health and rehabilitation professionals who used a team approach to meet the needs of an individual with severe and persistent mental illness.

Anticipated Implementation Date: 03/31/2022; payments will be retroactive to 10/07/2021.

Amount of Funding Projected to be Spent: \$2.09M

Status Update Overall:

NYS published Federal Public Notice for the State Plan Amendment on October 6, 2021. A SPA was submitted to CMS on December 30, 2021. These impact ACT services, State Plan authorized rehabilitative services pursuant to 42 CFR § 440.130(d) as outlined in SPA #01-0001 and pending SPA #21-0015. OMH continues to work in collaboration with its State partners to finalize enhanced rate packages. Once rate packages are approved, OMH will load the rates and will notify providers of rate changes. OMH continues to facilitate communication between providers and stakeholders including specific provider impacts.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

Federal Public Notice published with NYS Department of State on October 6, 2021. A SPA was submitted to CMS on December 30, 2021. Specific rate increases will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

The multi-disciplinary, community-based Young Adult ACT teams will include an evidence-based supportive vocational and employment program, support to develop the real-world skills needed for independence, and support to develop or expand the young adult's family and social network. This will be a recurring investment; funding will transition to State General Fund support.

V. Support for Adult Day Health Centers (ADHCs) and Social Adult Day Centers (SADCs) Reopening

New York State proposes to use a directed payment template with MLTCs, with the possibility of capital investments, to fund ADHCs and SADCs based on utilization of services in an effort to strengthen, enhance, and expand the availability of these HCBS services which were closed during the height of the pandemic. This is in an effort to assist SADCs and ADHCs to reopen safely and institute effective infection control measures and provide SADCs and ADHCs workforce development funds for recruitment and retention of qualified staff. Providers pursuing any capital investments will be required to confirm their resulting location is fully compliant with the HCBS settings criteria.

Eligible Providers:

All ADHCs and SADCs operating in NYS or having closed operations in the time

period 2019 to present; these centers provide a coordinated program of professional and compassionate services for adults in a community-based group setting.

Anticipated Implementation Date: 10/01/2022

Amount of Funding Projected to be Spent: \$10.00M

Status Update Overall:

DOH is finalizing the programmatic design for this proposal. Guidance and programmatic detail will be developed and communicated to providers in the near future.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH is seeking federal approval through a Section 438.6(c) preprint targeting ADHC and SADC services within MLTCP. The directed payment preprint is currently under development and will be circulated to CMS soon. Specific provider payments will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

The investments are intended as a one-time process. However, the investments in the ADHCs and SADCs will have long lasting impacts on those organizations' ability to deliver care under a fully integrated care delivery model. Investments will support the reopening of ADHCs and SADCs as they adjust to service interruptions stemming from COVID-19 and they invest in improving their resiliency through the coming years.

New Activities

W. School Supportive Health Services Expansion

This proposal includes an expansion of covered services under the School Supportive Health Services Program (SSHSP) to allow school districts to provide Medicaid covered behavioral health services to Medicaid enrolled children while in school.

Eligible Providers:

Schools will be eligible for this funding.

Anticipated Implementation Date: 10/01/2022

Amount of Funding Projected to be Spent: \$5.72M

Status Update Overall:

DOH will prepare a Federal Public Notice for the State Plan Amendment. Once this Federal Public Notice is published, DOH will work in collaboration with its State partners to finalize a State Plan Amendment and rate package for the SSHSP. Contingent upon Federal and State approvals, DOH will notify providers.

Status for Federal Approval of Spending Plan:

New Proposal; Pending approval from CMS.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH is developing a SPA for submission to CMS in the coming months. Specific rate increases will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This is a new proposal. DOH will offer additional insights in this area during future reporting periods.

Sustainability Update:

Allowing school districts to provide Medicaid covered behavioral health services to Medicaid enrolled children while in school will increase the number of children who receive behavioral health services and decrease waitlists. The State is also exploring potential funding sources to continue the increased rates beyond the initial period.

X. New Children's Waiver HCBS

This proposal will support the establishment of new Children's Waiver HCBS to address access issues and returning children/youth to their home and community from an institutional level of care.

Eligible Providers: Children's HCBS Providers.

Anticipated Implementation Date: 10/01/2022

Amount of Funding Projected to be Spent: \$2.52M

Status Update Overall:

DOH will develop a waiver amendment for the 1915(c) NY Children's Waiver (4125.R05.00) and updated Appendix K.

Status for Federal Approval of Spending Plan:

New Proposal; Pending approval from CMS.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH is developing a waiver amendment and Appendix K. Specific provider payments will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This is a new proposal. DOH will offer additional insights in this area during future reporting periods.

Sustainability Update:

DOH will use these additional services as an opportunity to enhance 1915(c) Waiver services for children and families. Adding transitional services via an amendment to the waiver will enable services to remain available beyond March 2024. These services are expected to reduce costs associated with higher levels of institutional care, which will generate savings to sustain these services going forward.

Y. Evidence-Based Children's Services

This activity increases funding to incentivize Children's Behavioral Health providers to use EBP in the delivery of care to Medicaid-enrolled children, including the use of principles in the delivery of services to children at greatest risk.

Eligible Providers: HCBS and CFTSS Providers

Anticipated Implementation Date: 10/01/2022

Amount of Funding Projected to be Spent: \$4.68M

Status Update Overall:

DOH will prepare a Federal Public Notice for the State Plan Amendment. Once this Federal Public Notice is published, DOH will work in collaboration with its State partners to finalize a State Plan Amendment and enhanced rate packages for CFTSS and Children's HCBS services. Contingent upon Federal and State approvals, DOH will notify providers of rate changes.

Status for Federal Approval of Spending Plan:

New Proposal; Pending approval from CMS.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH is developing a SPA for submission to CMS in the coming months. Specific rate increases will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This is a new proposal. DOH will offer additional insights in this area during future reporting periods.

Sustainability Update: This proposal is to enhance current EBP services and will help secure necessary services for more individuals over time. The State is also exploring potential funding sources to continue the increased rates beyond the initial period.

Z. Incentivize Child Welfare Step-Down Programs

Child welfare agencies must actively enhance their care delivery systems for children with behavioral health conditions in order to reduce the number of children and lengths of stay of children in QRTPs considered to be Institutes of Mental Disease (IMD) by CMS. Specifically, this proposal will support the QRTPs in establishing additional community supports to allow children to step down from an institutional level of care.

Eligible Providers: 29-I providers.

Anticipated Implementation Date: 10/01/2022

Amount of Funding Projected to be Spent: \$2.M

Status Update Overall:

DOH is developing a Section 438.6(c) preprint modifying the 29-I program within Medicaid Managed Care for submission to CMS in the coming months.

Status for Federal Approval of Spending Plan:

New Proposal; Pending approval from CMS.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

DOH is developing a preprint for submission to CMS in the coming months. Specific rate increases will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This is a new proposal. DOH will offer additional insights in this area during future reporting periods.

Sustainability Update:

Providing step down services via care delivery systems in child welfare agencies for children with behavioral health conditions in order to reduce the number of children and length of stay in QRTPs will help enable children to remain in and return to home and community.

AA. Invest in Outpatient Mental Health Rehabilitative Services

Increasing the existing service payment rates for Outpatient Mental Health Rehabilitative Services, a critical access point in the mental health system. Funding will be disbursed through rate increases paid across FFS or MCO Medicaid claims following a state plan amendment as services are provided to

eligible Medicaid recipients. As more Medicaid recipients seek access for behavioral health services under the current pandemic, these investments will be used to target peer support service provision, offsite service delivery, electronic health record (EHR) changes, and strengthening provider staffing resources.

Eligible Providers:

OMH-Licensed Outpatient Mental Health Rehabilitative Service Providers; these providers offer counseling, group therapy, medical consultations, and psychiatry to help patients learn to cope with stressors and manage their mental health.

Anticipated Implementation Date: 02/01/2022

Amount of Funding Projected to be Spent: \$31.76M

Status Update Overall:

NYS will prepare a Federal Public Notice for the SPA to be published January 26, 2022. Once this Federal Public Notice is published, OMH will work in collaboration with its State partners to finalize a SPA and an enhanced rate package for OMH-Licensed Outpatient Mental Health Rehabilitative Services. Contingent upon Federal and State approvals, OMH will notify providers of rate changes.

Status for Federal Approval of Spending Plan:

New Proposal; Pending approval from CMS.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

A SPA is currently under development by OMH/DOH and will be circulated to CMS in the near future. Specific rate increases will be confirmed when the proposed rate package receives approval.

Lessons Learned/Best Practices (if any):

This is a new proposal. DOH will offer additional insights in this area during future reporting periods.

Sustainability Update:

OMH will assess whether to continue these rates beyond the period noted above; however, the current contemplated investment period will allow Outpatient Mental Health Rehabilitative Services providers to hire a competent, skilled workforce, improving access to care for vulnerable populations in need of these services and the quality of care that those members receive.

BB. Continuation and Expansion of the Community Care Connections Program Model Funding

New York proposes to invest a portion of this enhanced funding to support the continuation and expansion of the Community Care Connections (CCC) model and

the integration of community-based social workers and nurse care coordinators into the medical system of care. The CCC model integrates traditional community-based aging services with medical systems of care to positively impact the aims of cost, quality, and patient satisfaction. Due to the CCC's proven ongoing success of improving health outcomes while also reducing healthcare utilization for older adults, NYSOFA proposes to utilize this funding to support the continuation and expansion of the CCC model into other counties within New York State.

Funding will be used to address the social, economic, and clinical needs of older adults, which supports New York State's movement from a volume-based system to value-based system. NYSOFA intends to leverage the NY Connects NWD System as a key component within the CCC model and incorporate care transitions programming to successfully facilitate referrals between institutional care and home and community-based settings.

Eligible Providers:

N/A

Anticipated Implementation Date: 07/01/2022

Amount of Funding Projected to be Spent: \$2.75M

Status Update Overall:

This program is in the initial planning stages and more information will be included in the next quarterly report.

Status for Federal Approval of Spending Plan:

New Proposal; Pending approval from CMS.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

We do not anticipate the need for additional federal authority in order to execute this proposal.

Lessons Learned/Best Practices (if any):

This is a new proposal. DOH will offer additional insights in this area during future reporting periods.

Sustainability Update:

The funds will prove essential to NYSOFA's efforts to improved health outcomes and reduced healthcare utilization for older adults consistent with the proposal description. Upon evaluation of this proposal, the State will assess the impact and outcomes and will explore the benefits of continuing these efforts beyond the initial period.

III. Digital Infrastructure Investment

A. Modernize OPWDD IT Infrastructure to Support Medicaid Enterprise & Investments to Expand Operational Capacity

Investments to Expand Operational Capacity OPWDD will collaborate with the DOH and New York State Information Technology Services (ITS) to seek investments to access and leverage ongoing federal Health Information Technology funding for OPWDD's Medicaid IT infrastructure, including billing, incident management, needs assessments and service determinations, care management and statewide case management. In addition, resources will be used to develop new interactive dashboards, reporting, and data integration for stakeholder transparency to ensure quality supports and services are delivered to New Yorkers with developmental disabilities. Resources will also be used to make one-time investments in areas such as systems to manage scheduling and deployment of the direct support staff workforce and inventory tracking.

Eligible Providers:

Qualified Medicaid Health Information Technology (HIT) vendors; these design, develop, create, use, and maintain information systems for the healthcare and LTSS industries.

Anticipated Implementation date: To Be Determined

Amount of Funding Projected to be Spent: \$42.40M

Status Update Overall:

A scope of work for an RFP for a consultant to develop an HIT plan for federal review is currently in development. The anticipated release date of the RFP, and the contract start date, is tentatively planned for early 2022.

Status for Federal Approval of Spending Plan:

Approved by CMS on August 25, 2021.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

As funds will be distributed through existing procurement processes, OPWDD does not anticipate the need for federal authority to execute this proposal. Final grant award amounts are pending review of applications.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

The identified IT enhancements and resulting systems updates are intended as a one-time process. However, the impact will have long-term benefits upon completion.

B. Strengthen NY Connects Infrastructure

New York proposes to invest a portion of this enhanced funding for NY Connects to include additional resources in the directory, across the services sectors serving individuals with physical disabilities, children with special needs, persons with intellectual disabilities or developmental disabilities, and those with serious behavioral health conditions. SOFA would develop and deliver specific training for NY Connects operators about changes in accessing services and supports across the disability continuum. The State will reinvest ARPA funds for this activity and is not seeking an additional match.

Eligible Providers:

N/A

Implementation Date: 10/01/2021 for the approved portion of the proposal;
7/01/2022 for the expanded portion of the proposal.

Amount of Funding Projected to be Spent: \$37.75M in total, as compared to the initial approved investment of \$29.80M.

Status Update Overall:

DOH and SOFA have finalized the initial investment areas for NY Connects, as proposed in, and approved as part of the July 2021 Spending Plan and have begun the initial phase of the investment and implementation process.

NYSOFA seeks to expand this proposal in the following two areas:

1. Data Collection and Reporting System Improvements (\$7.7M): The current NYSOFA Statewide Client Application is a collaboration-based Case Management system that connects individuals and their family/caregivers with service providers. It enables care professionals to better share information among their peers and improves service delivery and outcomes. The system utilizes a suite of program modules and tools connecting multiple programs across a community. To administer their local functions, the Area Agencies on Aging (AAAs) utilize the Statewide Client Application, as well as a variety of in-house, locally developed and maintained systems. Included in the data collection, is a defined minimum data set (MDS) established by NYSOFA that addresses standardized information for community based LTSS. The State seeks to invest a portion of this enhanced funding for NY Connects to improve the data collection and reporting system across the service sectors serving individuals with physical disabilities, children with special needs, people with I/DD, and those with serious behavioral health conditions. This system will track and analyze service utilization, Care and Case Management services and referral, administration requirements, federal reporting requirements, compliance monitoring, data validation and verification, production of standard reports, as well as ad hoc reporting functionality, and querying of data for custom tabulations to fully assess all feasible data elements/options.

2. Enhance NY Connects Resource Directory and Training for NY Connects Staff (\$0.25M): In coordination with all NY Connects NWD system partners, NYSOFA proposes to invest a portion of this funding to further enhance the NY Connects Resource Directory with information and resources specific to individuals with mental and/or behavioral health conditions, individuals with SMI and/or SUD, individuals with I/DD, and individuals with other chronic health conditions. To support the enhancements to the NY Connects Resource Directory, NYSOFA will collaborate with the NWD system partners to continue developing and providing effective training curricula for NY Connects staff across the state. NY Connects staff will receive updated training specific to each population so that they may help individuals and their family/caregivers who are served by other state agencies, explore their options, and make informed choices on LTSS and other available resources. NY Connects staff will also receive training and education on caregiver resources and supports for each population.

Status for Federal Approval of Spending Plan:

Initial proposal approved by CMS on August 25, 2021.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

We do not anticipate the need for federal authority in order to execute this proposal.

Lessons Learned/Best Practices (if any):

This program recently entered the implementation phase. At this time, it is still too early to determine the impact of the proposal and/or to glean any lessons learned or best practices at this time.

Sustainability Update:

Investments in the directory of New York HCBS services and staff training will have long lasting impacts on access to care for vulnerable populations in need of these services.

C. Advance Children's Services IT Infrastructure

Create a flexible mechanism by which providers can enhance their IT infrastructure to meet the needs of children and families they serve. This can include integrating EHR systems, developing billing platforms/hiring billing vendors, Health Home build system to take oversight of Modifications, HCBS Requirements, POC, and Linkages to Services Oversight, EVV reimbursement, funding for administrative staff, funding for training staff, telehealth equipment, necessary facility changes, and a funding pool to incentivize Article 29-I providers meeting established performance targets and criteria.

Eligible Providers:

CFTSS Providers, HCBS providers, 29-I providers, and HHSC

Anticipated Implementation Date: 03/31/2022

Amount of Funding Projected to be Spent: \$7.04M

Status Update Overall:

DOH is developing provider survey to better understand needs of each agency and agency's ability to utilize available funds. DOH is currently in the process of completing the Section 438.6(c) preprint for this proposal focused on the programs noted in the provider section and will seek CMS approval of that preprint in order to distribute this funding through managed care plans. After approval, information will be shared with both providers and health plans which details program requirements, measures used to drive funding amounts, and other elements of program design.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

Section 438.6(c) preprint for this proposal to be submitted in February 2022. Specific rate increases will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

The identified IT enhancements and resulting systems updates are intended as a one-time process. However, the impact will have long-term benefits upon completion.

D. Extend Support for BH Care Collaboratives (BHCC)

Beginning in 2018, New York State invested \$60M to develop BHCC service networks across the behavioral and physical health continuum to prepare the BH system to enter into value-based reimbursement through supporting fiscal and clinical integration that is the foundation of BHCCs. Funds supported BH provider system culture change, moving from competition to collaboration across networks. BH providers in these BHCC networks gained knowledge and insight about how to define and measure the value BH brings to the overall health care system and managed care organizations. Most of these provider networks incorporated as Behavioral Health Independent Practice Association (BH IPAs), in order to enter contract arrangements. These BH IPAs developed significant infrastructure to drive integrated care, measure and manage data across networks, and improve service delivery across the behavioral and physical health spectrum. This additional development funding would allow for BH IPAs to continue their pre-pandemic work including enhancing data platforms and quality

assurance processes, measuring quality and continuity of care across the provider network and through the larger system of care, and supporting engagement with payers for alternative payment models or value-based reimbursement arrangements with a focus on rehabilitation and recovery services.

Eligible Providers:

Existing BHCCs operating as BH IPA: these providers expand, enhance, and strengthen HCBS in the Medicaid program by assisting HCBS providers become empaneled to provide services to more Medicaid Managed Care enrollees and engage with payors in beneficial value-based contracting arrangements. BHCC network providers are licensed behavioral health providers under Article 31 and Article 32 of the New York Mental Hygiene Law, including mental health clinics, substance use disorder providers, PROS, ACT and related HCBS providers, and, in that capacity, are authorized to deliver Appendix B services, including State Plan rehabilitative services pursuant to 42 CFR § 440.130(d) and Adult BH HCBS, which are section 1115(a) authorized HCBS.

Anticipated Implementation Date: 03/31/2022; payments retroactive to 01/01/2022.

Amount of Funding Projected to be Spent: \$8.00M

Status Update Overall:

OMH is working in collaboration with DOH to develop a submission to CMS for spending authority for changes to the BH IPA program within Medicaid Managed Care as well as finalizing financial and programmatic details for this proposal.

Status for Federal Approval of Spending Plan:

Approved by CMS on January 31, 2022.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

OMH and DOH are developing a Section 438.6(c) directed payment preprint for submission to CMS in the near future. Specific provider payments will be confirmed as part of authority approval.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

The investments in BH IPAs to forge or expand relationships with MMCP and health systems to meaningfully participate in risk-sharing arrangements sought by alternative payment methodology and VBP mandates, are intended as a one-time process. However, the impact will have long-term benefits upon completion. This funding will create and enhance partnerships addressing populations

disproportionately impacted by the COVID-19 pandemic and bring innovation to behavioral and physical health integration. BH IPAs are positioned to lead the Statewide response to increased mental health and substance use challenges resulting from the COVID-19 pandemic and preserve the BH safety-net system. These entities have been screening for and responding to identified social determinants of health needs and are well-positioned to serve populations historically underserved by the traditional health care system and in existing VBP arrangements.

E. Study to Develop New CDPAP Care Technology

New York will support the exploration and piloting of a private registry system to assist participants in CDPAP in finding individuals willing to serve as personal assistants in a small number of designated service areas to study whether this type of registry is useful to those participants who have someone in mind that may cover some, but not all, of their authorized hours, or who require a backup and do not have additional people to meet that need. In addition, this type of registry may also be helpful in reducing overtime for high hour cases where the participant may not be able to identify sufficient assistants to meet their needs. It may also allow personal assistants to serve multiple consumers and improve their ability to make this work a fulltime job. The State will reinvest ARPA funds for this activity and is not seeking an additional match.

Eligible Applicant:

A technology vendor that offers a referral registry system.

Anticipated Implementation Date: 10/01/2022

Amount of Funding Projected to be Spent: \$5.10M

Status Update Overall:

DOH is finalizing specifications for the referral registry pilot. Selection of a technology vendor capable of providing such a pilot is forthcoming. Further programmatic detail will be developed and communicated to providers in the near future.

Status for Federal Approval of Spending Plan:

Approved by CMS on August 25, 2021.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

We do not anticipate the need for additional federal authority in order to execute this proposal.

Lessons Learned/Best Practices (if any):

This program is pending implementation.

Sustainability Update:

Investing in the exploration and piloting of a private registry system to assist participants in CDPAP will provide insights into future policy development for the CDPAP program within the state. Future policy development will seek to make sustainable improvements on both access to care for vulnerable populations in need of these services and on the quality of care that those members receive.

New Activities

F. Strengthen the NYS Multiple Systems Navigator

New York proposes to invest a portion of this enhanced funding to grow and improve the accessibility of the NYS Multiple Systems Navigator sponsored by the NYS Council on Children and Families (CCF). The NYS Multiple Systems Navigator (www.msnavigator.org) is a website for youth with multiple disabilities, parents, caregivers, and direct care professionals that serves as a one-stop resource on high-quality supports and services available from health, education, and human services agencies that serve vulnerable New Yorkers. Since its creation, the Multiple Systems Navigator has simplified a complex process of accessing information from numerous child- and family-serving agencies by compiling it on one consumer-friendly site, helping provide access to comprehensive, current, relevant, and easy-to-find information for those typically in need of multiple intensive services and supports including health, mental health, developmental disability, and other services. Specifically, the funds would enable youth, families, and the workforce supporting this target population to access available HCBS more easily and other services and supports across the State through:

The creation of a bi-directional automated connection between the Multiple Systems Navigator and the NY Connects website (www.nyconnects.ny.org), would enable significant improvements to the information shared and presented on both sites. Together, these resources would further support vulnerable New Yorkers seeking to understand and access HCBS and other community-based supports and services.

The Multiple Systems Navigator Mapping Tool would be redesigned so that users would be able to enter their address and the category or keyword for the programs and services of interest to see a map and listing of programs and services within a user-defined distance of the address entered. These investments would support improvements to advance the Multiple Systems Navigator as a repository of easy-to-locate available home and community-based supports and many other related services. It would also allow users to print a listing of their map search results and driving directions if needed.

The widespread promotion of the Multiple Systems Navigator website in collaboration with NYSOFA and other State agencies including OMH, OPWDD, DOH, OCFS, OTDA, SED and others, will help ensure that vulnerable youth, their

families, and the professionals supporting them are aware of this comprehensive and user-friendly resource.

In addition, CCF would develop a program and service equity mapping application to help State and local agencies make more informed funding decisions to target resources to populations in the greatest need. This application would map current service and program information from multiple State agencies and organize these maps by categories with optional data overlays. An interactive dashboard would use the data to ensure necessary resources are reaching the populations most in need.

Eligible Providers:

N/A

Anticipated Implementation Date: 7/01/2022

Amount of Funding Projected to be Spent: \$1.50M

Status Update Overall:

This program is in the initial planning stages and more information will be included in the next quarterly report.

Status for Federal Approval of Spending Plan:

New Proposal; Pending approval from CMS.

Update on Needed Federal Authorities (SPA, Preprint, etc. as indicated in the Spending Plan):

We do not anticipate the need for additional federal authority in order to execute this proposal.

Lessons Learned/Best Practices (if any):

This is a new proposal. DOH will offer additional insights in this area during future reporting periods.

Sustainability Update:

The funds would meet the dual goals of supporting the direct care workforce and investing in the State's digital infrastructure. Specifically, the funds would enable youth, families, and the workforce supporting this target population to access available HCBS and other services and supports across the State more easily. The results of the updates would remain in place following the initial investment.

Appendix B: Copy of August 25, 2021 Letter from CMS to State of New York

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Disabled and Elderly Health Programs Group

August 25, 2021

Brett R. Friedman
Medicaid Director
Office of Health Insurance Programs
NYS Department of Health
Empire State Plaza
Corning Tower, Room 1466
Albany, NY 12237

Dear Mr. Friedman:

We are pleased to inform you that New York initial state spending plan and spending narrative submitted on July 8, 2021, meet the requirements set forth in the May 13, 2021, Centers for Medicare & Medicaid Services (CMS), State Medicaid Director Letter (SMDL) [#21-003](#) and are receiving partial approval. New York qualifies for a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for home and community-based services (HCBS) under section 9817 of the American Rescue Plan Act of 2021 (ARP). We have approved the temporary 10 percentage point increase to the state's FMAP for certain Medicaid HCBS listed in Appendix B of the SMDL. The increased FMAP is available for qualifying expenditures between April 1, 2021, and March 31, 2022. However, CMS needs additional information, as described beginning on the next page.

Full approval of the state spending plan and spending narrative is conditioned upon resolving the issues described below and upon the state's continued compliance with program requirements as stated in SMDL #21-003. These requirements are in effect as of April 1, 2021, and continue until March 31, 2024, or until the state has fully expended the funds attributable to the increased FMAP, whichever comes first.

It is important to note that CMS partial approval of the initial spending plan and spending narrative solely addresses the state's compliance with the applicable requirements set forth under section 9817 and fulfillment of the requirements as stated in SMDL # 21-003. This spending plan approval does not constitute approval for purposes of claiming federal financial participation (FFP). Approval of any activity in your state's spending plan does not provide approval to claim FFP for any expenditures that are not eligible for FFP. States must continue to comply with all existing federal requirements for allowable claims, including documenting expenditures and draws to ensure a clear audit trail for the use of federal funds reported on the Form CMS-37 Medicaid Program Budget Report and the Form CMS-64, Quarterly Medicaid Statement of Expenditures.

States should follow the applicable rules and processes for section 1915(c) waivers, other Medicaid HCBS authorities, including state plan amendments and section 1115 demonstrations, and other managed care authorities (as applicable), if they are making changes to an HCBS program and intend to use state funds equivalent to the funds attributable to the increased FMAP to pay the state share of the costs associated with those changes. In particular, your state should be aware:

- An increase to the PACE Medicaid capitation rate can be implemented as part of the state’s regular annual rate update, or on a temporary basis as an interim rate increase, but must comply with existing submission, review, and approval requirements. States are not permitted to provide supplemental funding to PACE organizations outside of the PACE Medicaid capitation payment due to regulatory requirements.

CMS is available to provide continued technical assistance to states when implementing changes to HCBS programs under this provision.

Non-Approvable Activities or Uses of Funds

The following activities or uses of funds in your state’s initial spending plan and narrative are not approvable under ARP section 9817:

- Payment of room and board, including supplemental short-term rental assistance and housing subsidies, under the “Integrated Housing Pilot” activity.

Additional Information Requested

As your state further plans and develops the activities in its spending plan, CMS will need more information on the following:

1. Your state has indicated that the state anticipates “treating the enhanced FMAP funds as being spent once they have been remitted by the State, rather than when they are received by the ultimate downstream person or entity, when a proposal involves an intermediary entity (e.g., managed care organization, development fund) to administer a program or proposal.” Please indicate how the state will ensure that funds distributed to an intermediary are used for the activities and within the timeframe intended once the funds have been remitted by the state. In addition, please explain or define what a “development fund” is.
2. Clearly indicate whether the activity to “Expand Advanced Training Incentive (ATI) Program for HCBS Transitions from Nursing Homes” will target nursing homes with existing training programs, nursing homes that implement new training programs, or both. If the funds will be provided to nursing facilities with existing training programs, explain how this activity enhances, expands, or strengthens HCBS.
3. Clearly indicate whether the following activities will target providers that are delivering any of the services that are listed in Appendix B or that could be listed in Appendix B (e.g., behavioral health services that are covered under another benefit but could be covered under the rehabilitative services benefit):
 - Improve the OMH Workforce;
 - Improve the OASAS Workforce;
 - Enhance the Children’s Services Workforce;

- Expand Training and Implementation Support for Evidence Based Practices (EBPs);
- Expand Recruitment and Retention of Culturally Competent, Culturally Responsive and Diverse Personnel;
- Expand Certified and Credentialed Peer Capacity;
- Adjust Residential Addiction Treatment Services Rate;
- Expand and Implement HCBS and Community Oriented Recovery and Empowerment (CORE) Services;
- Support the Transition to Article 29-I Health Facility Core Limited Health Related Services;
- Expansion of CSIDD under the activity to Expand Crisis Services for People with IDD;
- Invest in OASAS Outpatient Addiction Rehabilitation Treatment Services Adjustments;
- Invest in Personalized Recovery Oriented Services (PROS) Redesign;
- CFTSS Rate Adjustments;
- Invest in Assertive Community Treatment (ACT) Services;
- Implement Youth ACT Programs;
- Implement Young Adult ACT Teams;
- Advance Children’s Services IT Infrastructure; and
- Extend Short-Term Support for Behavioral Health Care Collaboratives.

If the providers are not delivering any of the services listed in Appendix B or that could be listed in Appendix B, explain how these activities will expand, enhance, or strengthen HCBS under Medicaid.

4. As discussed in SMDL # 21-003, states must use the state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program. Clearly indicate whether the “natural growth” that the state is proposing to pay for under the activity to “Support Program Growth in Personal Care Services and CDPAP to Ensure Capacity” includes only those additional HCBS expenditures that the state will incur as a result of its other activities to enhance, expand, or strengthen HCBS under ARP section 9817. If the state does not intend to limit this activity to the additional HCBS expenditures it will incur as a result of its other activities under ARP section 9817, explain how this activity enhances, expands, or strengthens HCBS under Medicaid. If the state intends to limit this activity to the additional HCBS expenditures it will incur as a result of its other activities under ARP section 9817, indicate how the state will calculate the amount of additional expenditures it will incur as a result of its other activities under ARP section 9817.
5. Clearly indicate whether your state plans to pay for capital investments as part of the “Invest in a Community Engagement Initiative – HCBS Day Services” and the “Support for Adult Day Health Centers and Social Adult Day Centers Reopening” activities. Capital investments are permissible uses of funds to expand, enhance, or strengthen HCBS under section 9817 of the ARP. However, states must demonstrate how capital investments would expand, enhance, or strengthen HCBS and ensure that capital investments will result in settings that are fully compliant with the home and community-based settings criteria. Further, approval of capital investments in ARP section 9817 spending plans and narratives does not authorize such activities for federal financial participation (FFP);

6. Clearly indicate that the enhanced rates for private duty nursing (PDN) will be limited to PDN provided in the home.
7. Provide more information on the types of activities that providers can implement through the activity to “Provide Incentives for the Development of More Integrated Residential Services.” In particular, clearly indicate if the funds will be used for:
 - Room and board, which are not permissible uses of funds under section 9817 of the ARP; or
 - Capital investments, which are permissible uses of funds to expand, enhance, or strengthen HCBS under section 9817 of the ARP. States must demonstrate how capital investments would expand, enhance, or strengthen HCBS and ensure that capital investments will result in settings that are fully compliant with the home and community-based settings criteria. Further, approval of capital investments in ARP section 9817 spending plans and narratives does not authorize such activities for federal financial participation (FFP).
8. Provide more information on the allowable uses of the grants for physical plan improvements under the “Personalized Recovery Oriented Services (PROS) Redesign” activity. Please note that capital investments are permissible uses of funds to expand, enhance, or strengthen HCBS under section 9817 of the ARP. However, states must demonstrate how capital investments would expand, enhance, or strengthen HCBS and ensure that capital investments will result in settings that are fully compliant with the home and community-based settings criteria. Further, approval of capital investments in ARP section 9817 spending plans and narratives does not authorize such activities for federal financial participation (FFP).
9. Provide more information on the types of activities that would be funded under the “Extend Short-Term Support for Behavioral Health Care Collaboratives” activity.

CMS will need additional information before it can determine whether these activities or uses of funds are approvable under ARP section 9817.

General Considerations

As part of this partial approval, CMS is noting the following:

- CMS expects your state to notify CMS as soon as possible if your state’s activities to expand, enhance, or strengthen HCBS under ARP section 9817:
 - Are focused on services other than those listed in Appendix B or that could be listed in Appendix B (e.g., behavioral health services that are covered under another benefit but could be covered under the rehabilitative services benefit). If any activities are not directly related to the services listed in Appendix B or services that could be listed in Appendix B, please explain how those activities expand, enhance, or strengthen HCBS under Medicaid;
 - Include room and board (which CMS would not find to be a permissible use of funds); and/or
 - Include activities other than those listed in Appendices C and D.

CMS will need additional information before it can determine whether any of those activities or uses of funds are approvable under ARP section 9817.

- HCBS provider pay increases funded through the 10 percent temporary increased FMAP will require an updated rate methodology. For section 1915(c) waiver programs, states are required to submit a waiver amendment for any rate methodology change. If retrospective approval will be required, the state should make the change in the Appendix K application.
- Consistent with regulations at 42 C.F.R. § 447.252(b), the state plan methodology must specify comprehensively the methods and standards used by the agency to set payment rates. The state plan methodology must be comprehensive enough to determine the required level of payment and the FFP to allow interested parties to understand the rate setting process and the items and services that are paid through these rates. Claims for federal matching funds cannot be based upon estimates or projections. The reimbursement methodology must be based upon actual historical utilization and actual trend factors.
- States providing HCBS through a managed care delivery system must comply with applicable federal requirements, including 42 C.F.R. part 438. States must also ensure that appropriate authority is granted for the services and activities to be covered as well as to deliver such services and activities through a managed care delivery system. Additionally, states will need to assess implications for its managed care plan contracts and actuarially sound capitation rates in order to operationalize any programmatic changes. States that seek to contractually require their managed care plans to increase HCBS provider payments must adhere to federal requirements for state directed payments in accordance with 42 C.F.R. § 438.6(c), including prior approval as required.
- If your state is reducing reliance on a specific type of facility-based or congregate service and increasing beneficiary access to services that are more integrated into the community, your state should be clear with stakeholders in your state's stakeholder engagement activities, as well as in submissions to CMS of required ARP section 9817 spending plans and narratives and any resulting waiver or state plan amendments, about how these changes enhance the availability of integrated services in the specific waiver or state plan, and offset any reductions in previously covered services, in compliance with the home and community based settings criteria or other efforts to increase community integration.

Additional Information Related to the Quarterly Spending Plan and Narrative

CMS is clarifying that New York's next quarterly spending plan and narrative is due 75 days before the quarter beginning January 1, 2022. However, at New York's option, the state can submit an updated quarterly spending plan and narrative 75 days before the quarter beginning October 1, 2021. Please refer to SMDL [#21-003](#) for information on the quarterly reporting process. Your state's quarterly spending plans and spending narratives should:

- Describe how the state intends to sustain the activities it is implementing to enhance, expand, or strengthen HCBS under the Medicaid program including how the state intends to sustain its planned provider payment increases;
- Provide information on the amount or percentage of any rate increase or additional payment per provider and the specific Medicaid authorities under which the state will be making those rate changes or payments;
- Provide the additional information described above;

- Clearly indicate if your state has or will be requesting approval for a change to an HCBS program and be specific about which HCBS program, which authority it operates under, and when you plan to request the change;
- Provide projected and actual spending amounts for each of the state's planned activities to expand, enhance, or strengthen HCBS. In those projections, clearly identify if the state intends to draw down additional FFP for any activities, as well as the amount of state and federal share for any activities for which the state plans to claim additional FFP and whether those activities will be eligible for the HCBS increased FMAP under ARP section 9817;
- Clearly indicate whether your state plans to pay for capital investments or ongoing internet connectivity costs as part of any activity to enhance, expand, or strengthen HCBS. Capital investments and ongoing internet connectivity costs are permissible uses of funds to expand, enhance, or strengthen HCBS under section 9817 of the ARP. However, states must demonstrate how capital investments and ongoing internet connectivity costs would expand, enhance, or strengthen HCBS and ensure that capital investments will result in settings that are fully compliant with the home and community-based settings criteria. Further, approval of capital investments and ongoing internet connectivity costs in ARP section 9817 spending plans and narratives does not authorize such activities for FFP;
- Provide updated information (as appropriate) on the status and details of the state's proposed activities to expand, enhance, or strengthen HCBS; and
- Make other revisions needed to: update the amount of funds attributable to the increase in FMAP that the state has claimed and/or anticipates claiming between April 1, 2021, and March 31, 2022; update anticipated and/or actual expenditures for the state's activities to implement, to enhance, expand, or strengthen HCBS under the state Medicaid program between April 1, 2021, and March 31, 2024; update or modify the state's planned activities to expand, enhance, or strengthen HCBS; and report on the state's progress in implementing its planned activities to expand, enhance, or strengthen HCBS.

We extend our congratulations on this partial approval and look forward to working with you further throughout the implementation of ARP section 9817. Programmatic and financial questions and state HCBS quarterly spending plan and spending narrative questions for section 9817 of the ARP can be submitted to HCBSincreasedFMAP@cms.hhs.gov.

Sincerely,
Jennifer Bowdin
Director, Division of Community
Systems Transformation

cc: April Hamilton
Susan Montgomery
Selena Hajioani

Appendix C: Copy of September 3, 2021 Response Letter to CMS



KATHY HOCHUL
Governor

Department
of Health

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

LISA PINO, M.A., J.D.
Executive Deputy Commissioner

September 3, 2021

BY E-MAIL

Ms. Jennifer Bowdoin
Director, Division of Community Systems Transformation
Department of Health & Human Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

Re: Response to Partial Approval of Initial New York State Spending Plan:
Implementation of American Rescue Plan Act of 2021, Section 9817

Dear Ms. Bowdoin,

Thank you for your letter on August 25, 2021, in which the Centers for Medicare & Medicaid Services (CMS) granted partial approval of the New York initial state spending plan and spending narrative for the temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for home and community-based services (HCBS) under section 9817 of the American Rescue Plan Act of 2021 (ARP). This letter contains responses to the questions or requests for information contained in your letter, except for Item #4 related to the "Support Program Growth in Personal Care Services and CDPAP to Ensure Capacity" proposal. A response to that question will be provided in the near future following completion of the required data analysis. For ease of reference, we have inserted our responses after replicating the pertinent question or request.

We are available to discuss these responses in further detail in hopes of achieving CMS's full approval of New York's initial state spending plan and narrative. Please do not hesitate to contact Selena Hajjani or me with any questions.

Very truly yours,
Brett R. Friedman
Acting Medicaid Director
Office of Health Insurance Programs
New York State Department of Health

Enclosure

cc: April Hamilton, NYS DOH
Susan Montgomery, NYS DOH
Selena Hajjani, NYS DOH

Non-Approvable Activities or Uses of Funds: Payment of room and board, including supplemental short-term rental assistance and housing subsidies, under the “Integrated Housing Pilot” activity. (OPWDD)

State Response:

Based on this feedback, the State confirms that there will be no payment of room and board, including supplemental short-term rental assistance and housing subsidies, under the “Integrated Housing Pilot” activity. None of the State’s proposed activities include funds to support room and board, directly or indirectly.

Additional Information Requested

As your state further plans and develops the activities in its spending plan, CMS will need more information on the following:

1. Your state has indicated that the state anticipates “treating the enhanced FMAP funds as being spent once they have been remitted by the State, rather than when they are received by the ultimate downstream person or entity, when a proposal involves an intermediary entity (e.g., managed care organization, development fund) to administer a program or proposal.” Please indicate how the state will ensure that funds distributed to an intermediary are used for the activities and within the timeframe intended once the funds have been remitted by the state. In addition, please explain or define what a “development fund” is.

State Responses:

- The State will ensure that funding distributed to an intermediary will be used for allowable activities and within the timeframe intended via the contracting process, the development of clear contract deliverables, and ongoing contract management activities. These timeframes will be set forth in the authority under which the funds are expended. For example, through the directed payment approval process, New York will work with CMS to establish timeframes for when the enhanced payments are loaded into plan premium for Managed Care Organizations (MCOs) and when the MCOs are required to expend the funds to achieve the purposes of the spending initiative. In this instance, the MCOs will be required to report to the Department on how the funds were expended and measure any improvements in outcomes based on upon agreed-upon metrics, such as those around workforce recruitment and retention. The actions and obligations of the intermediary will be described in a contract with, and governed by, the State in accordance with the approved spending plan and corresponding timelines. In the case of directed payment arrangements, the MCO Model Contract will be updated for these obligations.

Accordingly, the performance of the intermediary will be subject to review by the State, and downstream funding recipients must accept State oversight of spending and timing requirements attached to the funds.

- Development funds are historical tools used by the Department and approved by CMS through State Plan Amendments (SPAs), 1915(c) waivers, and State Directed Payment Templates to support goals and objectives similar to those set forth in the spending plan and narrative under ARP. For example, as part of SPA #14-0016, CMS approved the creation of a “Health Home Development Fund” that constituted a rate add-on paid to qualifying providers, but that was required to be used for defined purposes, including workforce training and recruitment, health information technology and connectivity, and member engagement.² Similar to the creation of the Health Home Development Fund, the development funds contemplated by the State’s spending plan and narrative speak to the means of using a rate add-on or state directed payment through managed care to fund specific defined objectives consistent with the purposes of Section 9817 of ARP.

2. Clearly indicate whether the activity to “Expand Advanced Training Incentive (ATI) Program for HCBS Transitions from Nursing Homes” will target nursing homes with existing training programs, nursing homes that implement new training programs, or both. If the funds will be provided to nursing facilities with existing training programs, explain how this activity enhances, expands, or strengthens HCBS.

State Response:

The State proposes to use the enhanced FMAP for HCBS to offer new training programs for direct care workers to recognize signs of patient clinical improvement and the potential for HCBS programs and services to allow for community discharge and reintegration. This program will be offered to all eligible nursing home facilities and provide funding to those providers that have shown a commitment to giving direct care staff tools to help assist in appropriate discharge to community-based settings. This would be a training program that has not existed previously and thus would enhance, expand, and strengthen the ability of these providers to transition individuals to home and community-based settings.

3. Clearly indicate whether the following activities will target providers that are delivering any of the services that are listed in Appendix B or that could be listed in

² A copy of this approved may accessed at the following link:
https://www.health.ny.gov/regulations/state_plans/status/non-inst/approved/docs/app_2015-03-10_spa_1416.pdf.

Appendix B (e.g., behavioral health services that are covered under another benefit but could be covered under the rehabilitative services benefit):

State Responses:

- **Improve the OMH Workforce:** Providers of state plan rehabilitative services authorized pursuant to 42 CFR § 440.130(d), including Personalized Recovery Oriented Services (PROS) (SPA #16-0041), Assertive Community Treatment (ACT) (SPA #01-0001; pending #21-0015), Rehabilitation Services in Community Residences for adults and children (SPA #94-0027), Behavioral Health (BH) HCBS authorized pursuant to a section 1115(a) waiver, and Community Oriented Recovery and Empowerment (CORE) services proposed to be authorized in a recent amendment to a section 1115(a) waiver.
- **Improve the OASAS Workforce:** These are services authorized to be delivered consistent with 42 § CFR 440.130(d) and pursuant to SPA #16-0004.
- **Enhance the Children’s Services Workforce:** Providers will include:
 - 29-I providers licensed under Chapter 45, Article 29-I, Section 2999-GG of New York Public Health Law. Services provided by licensed 29-I providers are to be delivered consistent with 1905(a)(13) of the SSA, 42 CFR § 440.130(d) and SPA #21-0003;
 - Providers designated to provide Children’s HCBS under the 1915(c) Children’s Waiver NY.4125.R05.11 will provide services consistent with 1915(c)(4)(B) of the SSA; and
 - Providers designated to provide Children and Family Treatment and Support Services will provide rehabilitative services consistent with 1905(a)(13) of the SSA, 42 CFR § 440.130(d) and as outlined in SPA #20-0018.
- **Expand Training and Implementation Support for Evidence Based Practices (EBPs):** Providers of children's mental health services which are State Plan authorized rehabilitative services pursuant to 42 CFR § 440.130(d), including Children's Rehabilitation Services in Community Residences (SPA #94-0027), Other Licensed Practitioner Services (SPA #19-0003), which are State Plan authorized Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services which could be authorized under 42 CFR § 440.130(d). Other funding associated with this proposal will be provided to educational institutions to enhance training in best practices for psychiatric rehabilitation for

the behavioral health workforce. This workforce is critical to enhance and strengthen HCBS in Medicaid.

- **Expand Recruitment and Retention of Culturally Competent, Culturally Responsive and Diverse Personnel:** Providers of State Plan rehabilitative services authorized pursuant to 42 CFR § 440.130(d), including PROS (SPA #16-0041), ACT (SPA #01-0001; pending #21-0015), Rehabilitation Services in Community Residences for adults and children (SPA #94-0027), BH HCBS authorized pursuant to a section 1115(a) waiver, and CORE services proposed to be authorized in a recent amendment to a section 1115(a) waiver.
- **Expand Certified and Credentialed Peer Capacity:** Providers of State Plan rehabilitative services authorized pursuant to 42 CFR. § 440.130(d), including PROS ((SPA #16-0041), ACT (SPA #01-0001; pending #21-0015), Rehabilitation Services in Community Residences for adults and children; Family Peer Support Services; Youth Peer Support Services; BH HCBS authorized pursuant to a section 1115(a) waiver; CORE services, proposed to be authorized in a recent amendment to a section 1115(a) waiver; and other provider types, not currently receiving Medicaid funding for the provision of rehabilitative services, that utilize peers to engage individuals with mental health conditions in the mental health system and whose efforts will expand HCBS in Medicaid by promoting awareness about and engagement in HCBS.
- **Adjust Residential Addiction Treatment Services Rate:** These are services authorized to be delivered consistent with 42 CFR § 440.130(d) and pursuant to SPA #16-0004, with the exception of expansion of HCBS services through the addition of SPA residential addiction rehabilitation benefits which would assist individuals in reintegration to independent living.
- **Expand and Implement HCBS and Community Oriented Recovery and Empowerment (CORE) Services:** CORE services are proposed section 1115(a)-authorized rehabilitation services, which could be authorized pursuant to 42 CFR § 440.130(d). CMS action on NYS' Section 1115(a) waiver amendment for CORE is pending.
- **Support the Transition to Article 29-I Health Facility Core Limited Health Related Services:** Providers will include 29-I providers licensed under Chapter 45, Article 29-I, Section 2999-GG of New York Public Health Law. Services will be delivered consistent with 1905(a)(13) of the SSA, 42 CFR § 440.130(d) and Rehabilitative services authorized in SPA #21-0003.
- **Expansion of CSIDD under the activity to Expand Crisis Services for People with IDD:** CSIDD services are covered under the State Plan Rehabilitation benefit. The CSIDD SPA #19-0014, was approved on December 16, 2019, with an effective date of January 1, 2019. These are

targeted services for individuals with intellectual and/or developmental disabilities who have significant behavioral or mental health needs. CSIDD are delivered by multi-disciplinary teams who provide personalized and intensive time-limited therapeutic clinical coordination of Medicaid services for individuals age six and older.

- **Invest in OASAS Outpatient Addiction Rehabilitation Treatment Services**
Adjustments: These are services authorized to be delivered consistent with 42 CFR §440.130(d) and pursuant to SPA #16-0004.
- **Invest in Personalized Recovery Oriented Services (PROS) Redesign:**
PROS are State Plan authorized rehabilitative services pursuant to 42 CFR § 440.130(d) and as outlined in SPA #16-0041.
- **CFTSS Rate Adjustments:** Funds are available to providers designated to provide Children and Family Treatment and Support Services, who will provide services consistent with 1905(a)(13) of the SSA, 42 CFR § 440.130(d) and as outlined in SPA #20-0018.
- **Invest in Assertive Community Treatment (ACT) Services:** ACT services are State Plan authorized rehabilitative services pursuant to 42 CFR § 440.130(d) and as outlined in SPA #01-0001 and pending SPA #21-0015.
- **Implement Youth ACT Programs:** ACT services are State Plan authorized rehabilitative services pursuant to 42 CFR § 440.130(d) and as outlined in SPA #01-0001 and pending SPA #21-0015.
- **Implement Young Adult ACT Teams:** ACT services are State Plan authorized rehabilitative services pursuant to 42 CFR § 440.130(d) as outlined in SPA #010001 and pending SPA #21-0015.
- **Advance Children’s Services IT Infrastructure:** Providers will include:
 - 29-I providers licensed under Chapter 45, Article 29-I, Section 2999-GG of New York Public Health Law. Services provided by licensed 29-I providers are to be delivered consistent with 1905(a)(13) of the SSA, 42 CFR § 440.130(d) and SPA #21-0003;
 - Providers designated to provide Children’s HCBS under the 1915(c) Children’s Waiver NY.4125.R05.11 will provide services consistent with 1915(c)(4)(B) of the SSA; and
 - Providers designated to provide Children and Family Treatment and Support Services will provide rehabilitative services consistent with 1905(a)(13) of the SSA, 42 CFR § 440.130(d) and as outlined in SPA #20-0018.
- **Extend Short-Term Support for Behavioral Health Care Collaboratives**

(BHCC): BHCC network providers are licensed behavioral health providers under Article 31 and Article 32 of the New York Mental Hygiene Law, including mental health clinics, substance use disorder providers, PROS, ACT and related HCBS providers, and, in that capacity, are authorized to deliver Appendix B services, including State Plan rehabilitative services pursuant to 42 CFR § 440.130(d) and Adult BH HCBS, which are section 1115(a) authorized HCBS. Additionally, BHCCs expand, enhance, and strengthen HCBS in the Medicaid program by assisting HCBS providers become empaneled to provide services to more Medicaid Managed Care enrollees and engage with payors in beneficial value based contracting arrangements.

4. *As discussed in SMDL # 21-003, states must use the state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program. Clearly indicate whether the “natural growth” that the state is proposing to pay for under the activity to “Support Program Growth in Personal Care Services and CDPAP to Ensure Capacity” includes only those additional HCBS expenditures that the state will incur as a result of its other activities to enhance, expand, or strengthen HCBS under ARP section 9817. If the state does not intend to limit this activity to the additional HCBS expenditures it will incur as a result of its other activities under ARP section 9817, explain how this activity enhances, expands, or strengthens HCBS under Medicaid. If the state intends to limit this activity to the additional HCBS expenditures it will incur as a result of its other activities under ARP section 9817, indicate how the state will calculate the amount of additional expenditures it will incur as a result of its other activities under ARP section 9817.*

State Response:

A response to this question is forthcoming shortly in a future correspondence.

5. *Clearly indicate whether your state plans to pay for capital investments as part of the “Invest in a Community Engagement Initiative – HCBS Day Services” and the “Support for Adult Day Health Centers and Social Adult Day Centers Reopening” activities. Capital investments are permissible uses of funds to expand, enhance, or strengthen HCBS under section 9817 of the ARP. However, states must demonstrate how capital investments would expand, enhance, or strengthen HCBS and ensure that capital investments will result in settings that are fully compliant with the home and community-based settings criteria. Further, approval of capital investments in ARP section 9817 spending plans and narratives does not authorize such activities for federal financial participation (FFP).*

State Response:

- **Invest in a Community Engagement Initiative – HCBS Day Services:** During the COVID-19 pandemic, site-based services were suspended to mitigate the spread of COVID-19; however, the ability of such providers to deliver services was curtailed. As we began to reopen, site-based services were and continue to be utilized at rates below pre-pandemic service levels. OPWDD is proposing to use the additional FMAP afforded under Section 9817 of ARP to support providers that develop and submit plans for new, innovative, and person-centered alternatives to traditional site-based day services. The funding will support the acquisition of technology, staff training, and, under limited circumstances, the payment of capital costs. The payment of capital costs may be allowed when the payment of such costs accelerates the development of alternate program models. These payments could be used to accelerate the repayment of approved, cost-verified property costs for sites that are no longer needed; however, no more than 10% of the grant award could be used for this purpose. In this case, any profit that the provider gains from the sale of the property must be reinvested in a manner that expands and promotes the delivery of HCBS.

As a result, the biggest impediment to transitioning from site-based services – the carrying costs of the properties in which they are provided – would be eliminated, paving the way forward for more individualized alternatives that would enhance the lives of people with developmental disabilities in New York State.

- **Support for Adult Day Health Centers and Social Adult Day Centers Reopening:** This proposal does include possible capital investments. A provider pursuing any capital investments will be required to confirm that it results in a setting fully compliant with the HCBS settings criteria. The capital investments will strengthen, enhance, and expand the availability of these HCBS services, which were closed during the height of the COVID pandemic and are working to reopen and adapt their programs and sites to have new programming and necessary modifications for COVID safety.

6. *Clearly indicate that the enhanced rates for private duty nursing (PDN) will be limited to PDN provided in the home.*

State Response:

PDN under 42 CFR § 440.80 authorizes PDN in a home, hospital or SNF setting; but has not been updated since 1987 and the limitation is inconsistent with *Olmstead v. L.C.*, 527 U.S. 581 (1999), as well as the HCBS settings requirements in 42 CFR § 441.301. Consistent with those requirements and the updated standards in 42 CFR § 440.70 regarding home health services, PDN services funded under this proposal are only available in HCBS settings, rather than in a facility.

7. *Provide more information on the types of activities that providers can implement through the activity to “Provide Incentives for the Development of More Integrated Residential Services.” In particular, clearly indicate if the funds will be used for: room and board, which are not permissible uses of funds under section 9817 of the ARP; or capital investments, which are permissible uses of funds to expand, enhance, or strengthen HCBS under section 9817 of the ARP. States must demonstrate how capital investments would expand, enhance, or strengthen HCBS and ensure that capital investments will result in settings that are fully compliant with the home and community-based settings criteria. Further, approval of capital investments in ARP section 9817 spending plans and narratives does not authorize such activities for federal financial participation (FFP).*

State Response:

Room and Board costs will not be funded through the activity to “Provide Incentives for the Development of More Integrated Residential Services.” The funding will be issued to eligible providers based on an approved program narrative and spending plan. Providers that receive awards will be subject to reporting on program milestones and oversight by the state. The following types of expenditures can be funded under this proposed activity:

- Acquiring new tools and technologies to maximize available direct support professional (DSP) staffing that will contribute to housing support sustainability for the growing and aging IDD population in New York. Examples of tools and technology include ‘smart home’, remote monitoring, and ‘on-call’ 24-hour access to DSP staff for individuals.
- Investments in capital and start-up costs associated with staffing “hubs” to support individuals living in supportive certified settings – not associated with participants’ room and board costs associated with those locations.
- Consultant costs for planning and development of service delivery options that increase access to supportive residential services. ○ Development of protocols to train, hire, and identify paid neighbor, live-in staffing and other staffing models that support DSPs and address staffing shortages.

With this investment, the State will provide grants that further individuals’ ability to access more supportive (certified) housing options in keeping with the intent of the NYS HCBS Settings Transition Plan. Most individuals with IDD who receive residential habilitation services through the OPWDD Comprehensive Waiver live in supervised settings where staff are always present. The objective of this investment is that individuals who currently live in or are newly seeking

placement in more staff-intensive, supervised residences will have increased access to supportive opportunities. Supportive residences offer individuals more independence and promote the opportunity to live meaningful lives in the most integrated and community inclusive setting appropriate to their needs.

The resources are available for start-up funding and other initial investments that the successful applicant will be able to leverage in order to continue to provide on-going services after the grant period using existing funding and service models. There will be no draw down of additional FFP for these activities

8. *Provide more information on the allowable uses of the grants for physical plant improvements under the “Personalized Recovery Oriented Services (PROS) Redesign” activity. Please note that capital investments are permissible uses of funds to expand, enhance, or strengthen HCBS under section 9817 of the ARP. However, states must demonstrate how capital investments would expand, enhance, or strengthen HCBS and ensure that capital investments will result in settings that are fully compliant with the home and community-based settings criteria. Further, approval of capital investments in ARP section 9817 spending plans and narratives does not authorize such activities for federal financial participation (FFP).*

State Response:

Physical plant improvements would not be directly funded by this proposal; rather, the State is providing 10% rate enhancements for existing State Plan services, which providers may use to cover operational, workforce, and other costs required to preserve access.

9. *Provide more information on the types of activities that would be funded under the “Extend Short-Term Support for Behavioral Health Care Collaboratives” activity.*

State Response:

This funding will continue to prepare the provider types delineated in response to Item #3, which include many types of behavioral health providers, to participate in networks that enable these providers to enter into value-based reimbursement through supporting fiscal and clinical integration that is the foundation of BHCCs. Funds may be used to: enhance data platforms and quality assurance processes; measure quality and continuity of care across the provider network and through the larger system of care; and support engagement with payers for alternative payment models or value-based reimbursement arrangements with a focus on rehabilitation and recovery service.

Appendix D: Copy of January 31, 2022 Letter from CMS to State of New York

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Disabled and Elderly Health Programs Group

January 31, 2022

Brett R. Friedman
Medicaid Director
Office of Health Insurance Programs
NYS Department of Health
Empire State Plaza
Corning Tower, Room 1466
Albany, NY 12237

Dear Mr. Friedman:

We are pleased to inform you that New York's federal fiscal year 2022 quarter 2 spending plan and narrative submitted on October 18, 2021, continues to meet the requirements set forth in the May 13, 2021, Centers for Medicare & Medicaid Services (CMS) State Medicaid Director Letter (SMDL) [#21-003](#) and are receiving partial approval. New York qualifies for a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for home and community-based services (HCBS) under section 9817 of the American Rescue Plan Act of 2021 (ARP). We have approved the temporary 10 percentage point increase to the state's FMAP for certain Medicaid HCBS listed in Appendix B of the SMDL. The increased FMAP is available for qualifying expenditures between April 1, 2021, and March 31, 2022. New York can begin to implement any activity included in the revised spending plan if CMS has not identified the activity as not approvable or asked for additional information about the activity, as described beginning on the next page. Please note that CMS has identified one activity or use of funds in your state's spending plan and narrative that is not approvable, as described on the next page.

Full approval of the state spending plan and spending narrative is conditioned upon resolving the issues described below and upon the state's continued compliance with program requirements as stated in SMDL #21-003. These requirements are in effect as of April 1, 2021, and continue until March 31, 2024, or until the state has fully expended the funds attributable to the increased FMAP, whichever comes first.

It is important to note that CMS partial approval of the spending plan and narrative solely addresses the state's compliance with the applicable requirements set forth under section 9817 and fulfillment of the requirements as stated in SMDL # 21-003. This spending plan approval does not constitute approval for purposes of claiming federal financial participation (FFP).

Approval of any activity in your state's spending plan does not provide approval to claim FFP for any expenditures that are not eligible for FFP. States must continue to comply with all existing federal requirements for allowable claims, including documenting expenditures and draws to ensure a clear audit trail for the use of federal funds reported on the Form CMS-37 Medicaid Program Budget Report and the Form CMS-64, Quarterly Medicaid Statement of Expenditures.

States should follow the applicable rules and processes for section 1915(c) waivers, other Medicaid HCBS authorities, including state plan amendments and section 1115 demonstrations, and other managed care authorities (as applicable), if they are making changes to an HCBS program and intend to use state funds equivalent to the funds attributable to the increased FMAP to pay the state share of the costs associated with those changes. CMS is available to provide continued technical assistance to states when implementing changes to HCBS programs under this provision. Furthermore, states should follow the applicable rules and processes for claiming FFP for Medicaid administrative costs, including, if necessary, updating the state's Public Assistance Cost Allocation Plan to reference methodologies, claiming mechanisms, interagency agreements, and other relevant issues that will be used when claiming and appropriately allocating costs.

Non-Approvable Activities or Uses of Funds

As discussed during a phone call on 1/19/2022 with the state, CMS indicated that the following activity or use of funds in your state's spending plan and narrative is not approvable under ARP section 9817:

- Natural or incremental growth, as proposed by the state in the Support Program Growth in Personal Care Services and CDPAP or Ensure Capacity activity.

During the 1/19/2022 phone call, the state agreed to remove reference to the natural or incremental growth from the spending plan and related narrative.

Additional Information Requested

As your state further plans and develops the activities in its spending plan, CMS will need more information on the following:

- Please clarify if any of the payments under the Adjust Residential Addiction Treatment Services Rate activity will be provided to Institutions for Mental Diseases (IMDs), which CMS would not find to be a permissible use of funds, unless the state can demonstrate that the payments support institutional diversion or community transition or otherwise support the intent of ARP section 9817.

CMS will need additional information before it can determine whether these activities or uses of funds are approvable under ARP section 9817. Please update the state's spending plan and narrative and to provide the information requested in this letter.

General Considerations

As part of this partial approval, CMS is noting the following:

- CMS expects your state to notify CMS as soon as possible if your state’s activities to enhance, expand, or strengthen HCBS under ARP section 9817:
 - Are focused on services other than those listed in Appendix B or that could be listed in Appendix B (e.g., behavioral health services that are covered under another benefit but could be covered under the rehabilitative services benefit). If any activities are not directly related to the services listed in Appendix B or services that could be listed in Appendix B, please explain how those activities enhance, expand, or strengthen HCBS under Medicaid;
 - Are focused on services delivered in Institutions for Mental Diseases (IMD) or other institutional settings, providers delivering services in IMDs or other institutional settings, or other activities implemented in IMDs or other institutional settings (which CMS would not find to be a permissible use of funds, unless the state can demonstrate that the activity supports institutional diversion or community transition or otherwise supports the intent of ARP section 9817);
 - Include room and board (which CMS would not find to be a permissible use of funds); and/or
 - Include activities other than those listed in Appendices C and D.

CMS will need additional information before it can determine whether any of those activities or uses of funds are approvable under ARP section 9817.
- HCBS provider pay increases funded through the 10 percent temporary increased FMAP will require an updated rate methodology. For section 1915(c) waiver programs, states are required to submit a waiver amendment for any rate methodology change. If retrospective approval will be required, the state should make the change in the Appendix K application.
- Consistent with regulations at 42 C.F.R. § 447.252(b), the state plan methodology must specify comprehensively the methods and standards used by the agency to set payment rates. The state plan methodology must be comprehensive enough to determine the required level of payment and the FFP to allow interested parties to understand the rate setting process and the items and services that are paid through these rates. Claims for federal matching funds cannot be based upon estimates or projections. The reimbursement methodology must be based upon actual historical utilization and actual trend factors.
- States providing HCBS through a managed care delivery system must comply with applicable federal requirements, including 42 C.F.R. part 438. States must also ensure that appropriate authority is granted for the services and activities to be covered as well as to deliver such services and activities through a managed care delivery system. Additionally, states will need to assess implications for its managed care plan contracts and actuarially sound capitation rates in order to operationalize any programmatic changes. States that seek to contractually require their managed care plans to increase HCBS provider payments must adhere to federal requirements for state directed payments in accordance with 42 C.F.R. § 438.6(c), including prior approval as required. CMS is available to provide technical assistance to states related to these requirements.
- If your state is reducing reliance on a specific type of facility-based or congregate service and increasing beneficiary access to services that are more integrated into the community, your state should be clear with stakeholders in your state’s stakeholder engagement

activities, as well as in submissions to CMS of required ARP section 9817 spending plans and narratives and any resulting waiver or state plan amendments, about how these changes enhance the availability of integrated services in the specific waiver or state plan, and offset any reductions in previously covered services, in compliance with the home and community-based settings criteria or other efforts to increase community integration.

Additional Information Related to the Quarterly Spending Plan and Narrative

New York's next quarterly spending plan and narrative is due February 1, 2022. Please update the state's spending plan and narrative to incorporate the state's September 3, 2021, responses to CMS's August 25, 2021, partial approval letter. Refer to SMDL [#21-003](#) for information on the quarterly reporting process. Your state's quarterly spending plans and spending narratives should:

- Describe how the state intends to sustain the activities it is implementing to enhance, expand, or strengthen HCBS under the Medicaid program including how the state intends to sustain its planned provider payment increases;
- Provide information on the amount or percentage of any rate increase or additional payment per provider and the specific Medicaid authorities under which the state will be making those rate changes or payments;
- Provide the additional information described above;
- Clearly indicate if your state has or will be requesting approval for a change to an HCBS program and be specific about which HCBS program, which authority it operates under, and when you plan to request the change;
- Provide projected and actual spending amounts for each of the state's planned activities to enhance, expand, or strengthen HCBS. In those projections, clearly identify if the state intends to draw down FFP for any activities, as well as the amount of state and federal share for any activities for which the state plans to claim FFP and whether those activities will be eligible for the HCBS increased FMAP under ARP section 9817;
- Clearly indicate whether your state plans to pay for capital investments or ongoing internet connectivity costs as part of any activity to enhance, expand, or strengthen HCBS. Capital investments and ongoing internet connectivity costs are permissible uses of funds to enhance, expand, or strengthen HCBS under section 9817 of the ARP. However, states must demonstrate how capital investments and ongoing internet connectivity costs would enhance, expand, or strengthen HCBS and ensure that capital investments will result in settings that are fully compliant with the home and community based settings criteria. Further, approval of capital investments and ongoing internet connectivity costs in ARP section 9817 spending plans and narratives does not authorize such activities for FFP;
- Provide updated information (as appropriate) on the status and details of the state's proposed activities to enhance, expand, or strengthen HCBS; and
- Make other revisions needed to: update the amount of funds attributable to the increase in FMAP that the state has claimed and/or anticipates claiming between April 1, 2021, and March 31, 2022; update anticipated and/or actual expenditures for the state's activities to implement, to enhance, expand, or strengthen HCBS under the state Medicaid program

between April 1, 2021, and March 31, 2024; update or modify the state's planned activities to enhance, expand, or strengthen HCBS; and report on the state's progress in implementing its planned activities to enhance, expand, or strengthen HCBS.

We extend our congratulations on this partial approval and look forward to working with you further throughout the implementation of ARP section 9817. Programmatic and financial questions and state HCBS quarterly spending plan and spending narrative questions for section 9817 of the ARP can be submitted to HCBSincreasedFMAP@cms.hhs.gov.

Sincerely,
Jennifer Bowdoin
Director, Division of Community
Systems Transformation